FBIS DAILY REPORT

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REPORT ON FIDEL CASTRO ADDRESS TO HAVANA ASSEMBLY

FL062141 Havana Radio Periodico del Aire in Spanish 1600 GMT 6 Jul 87

[Excerpt] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC] and president of the Cuban Councils of State and of Ministers, has participated in the final discussions of the fifth regular sessions of the Havana City People's Government Provincial Assembly. The session was held in the FAR's Universal Hall in the capital.

On his arrival at the plenary session, Fidel Castro was applauded at length by the delegates and guests in attendance. The assembly was discussing the final point on the agenda: the report of the Commercial Services Directorate.

The leader of the revolution expressed interest in the plan of supermarkets for the capital. He immediately asked whether anyone had ideas regarding the development of these installations: how many are needed to meet the area's needs, and what advantages the supermarkets would provide. He said it would be best for the province to have a definite idea of how many are needed for the program.

The leader of the revolution later asked about the quantities of items needed for a supermarket, how personnel are selected, and whether employees are chosen from among people who live nearby. He mentioned the ongoing program for providing agricultural items, and the measures taken by farmers to ensure that people receive fresh, good quality produce.

Fidel Castro said the problem of child-care centers will basically be resolved within 2 years. We have dared to confront the bakeries, he said, and we will resolve that problem also.

The PCC first secretary commented on the figure of 9,000 nurses who will be needed in the city by 1990, saying he considered the figure high. He asked about international figures in this regard and about the nurses' training. He said it is better for fewer nurses to graduate, if those that do have a true vocation so they do not later abandon their posts.

Subsequently, the commander in chief asked Zoila Benitez, provincial director of education in Havana City, to tell him how the school year is going. The education official informed him that final exams were completed on Friday and that between 79 percent and 87 percent of the classes had passed. [passage omitted on Benitez' comments]

SUBSTITUTION OF IMPORTED SPARE PARTS SOUGHT

FL302355 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jun 87

[Report by Virginia Maria Pinero]

[Text] The focal point of the fourth national forum on spare parts to be held in Havana next year will be the substitution of imports. In this connection, some 9,000 items have been selected to date. This will be reported to the grassroots so that scientists, ANIR [National Association of Innovators and Efficiency Experts] members, engineers, brigade members, and workers in general may be in a position to solve supply needs. Of these items almost 1,200 belong to the [word indistinct] which cost the country $11 milllion a year. This is a clear example of the work that can be done so the forum's results may demonstrate how obstacles have been eliminated in regard to technology, equipment, or materials.

This was learned at the meeting of the National Spare Parts Commission at which Pedro Miret, member of the Communist Party of Cuba Politburo, stressed among other things that the basic goal was to produce quality items in the required quantity, prioritizing the areas. This would comply with Fidel's guidelines at the second meeting of Havana Provinces enterprises.

HAITI

GENERAL STRIKE CONTINUES FOR 2D CONSECUTIVE DAY

PA072152 Paris AFP in Spanish 2059 GMT 7 Jul 87

[Report by special AFP correspondent Edouard Pons]

[Excerpt] Port-au-Prince, 7 Jul (AFP) -- Haiti continued to be completely paralyzed for the 2d consecutive day as the result of a general strike amied at toppling the National Council of Government, CNG, headed by General Henri Namphy.

Toward noon, thousands of people gathered peacefully in front of the National Palace and the French and U.S. Embassies in Port-au-Prince, where 20 young people who failed to give their names had announced they would set themselves on fire to force the CNG to resign.

In response to numerous appeals made to them yesterday not to commit suicide, the young people told local radio stations they would not abandon their goal. Because of this, the crowd moved in to prevent the young men's sacrifice, some people present said.

None of the young men, however, had shown up by 1300 local time (1700 GMT).

Groups of between 100 and 200 people sang slogans hostile to the CNG and Gen Namphy and brandished tree branches to indicate they want him out. One of the demonstrators explained: "We use branches to drive animals away from fields or to chastise a stubborn boy."

Some officers quietly watched what was going on from the balconies of the large Army headquarters building, 12 meters from the National Palace, the CNG office. The crowd left them alone.

No Army members have appeared on the capital's streets. No incident had occurred by noon.

By 1100, a dozen demonstrators began to pound the U.S. Embassy's iron fence and shout aggressively, but they were quickly calmed down by their fellow demonstrators.

All stores and working centers in the capital and provincial cities are closed, and the public transport service has stopped.

Commerical activities were resumed only in Cap-Haitien, the country's second most important city, located in the north. [passage omitted]

PUCH OFFICIAL ON CURRENT POLITICAL SITUATION

FL071943 Port-au-Prince Domestic Service in Creole 1300 GMT 6 Jul 87

[Interview with PUCH [United Party of Haitian Communists] Secretary General Bourjolly by unidentified reporter -- live]

[Text] [Bourjolly] We've been following with great interest all the positions taken over the weekend -- the position taken by the Haitian Armed Forces and that of the Episcopal Council. Our conclusions are the following:

First, when all the high-ranking army officers appeared on television in a group, we thought they were going to at last redeem the honor of the Haitian Armed Forces. We thought they were going to announce they were going to carry out an investigation to find the people who committed all those crimes against the civilian population, arrest them, and bring them to trial. But instead, the Army came forward like a political party, whose government is the National Government Council [CNG]. They announced they would support it until 7 February 1988. At the same time, they threw out a word -- the word terrorists. They called the people who are fighting to have the country's Constitution respected, who are fighting against those who violated it, terrorists. They called terrorist the Haitian people and everyone who has accompanied the people during the battle they are waging in favor of freedom and democracy in Haiti.

In the same way that the Army came, as if in a family portrait, to stage its televised show the bishops also used the same form to come, more or less in the same terms, and say almost the same thing. They never called the group that is abusing the people, that fired on people in the streets, the Army. They spoke of people who have weapons and who are shooting. True, they did protest, but at the same time they told the people to back down before the bigshots.

[Reporter] What do you think of the people who are smashing people's cars, who are...

[Bourjolly, interrupting] Sorry? I can't hear.

[Reporter] Yes, I was asking how you feel about the people who are victims of acts of violence by other citizens, such as people who have had their cars or their gas stations smashed up or set on fire, things like that.

[Bourjolly] The problem is that we are in a revolution against the government in place. And in moments of revolt, violent actions sometimes occur, actions that occur during all revolutions, in any country in the world. We have always said these incidents are unfortunate but they cannot be completely avoided in revolutions. They call this a strike, in general, but in reality, it is not a strike; what is going on is a revolt against the government. So, that's why we ourselves never told the people to commit violent acts against gas stations or against anyone. But when the owner of a gas station decides to telephone the police to have them come and pick up groups of demonstrators and the demonstrators react against him, well, I can understand. That's all I can say. It's simply that at a time like this we think patriotism should override all else, those people in the CNG should step down. The Constitution says that the CNG should remain in power until 7 February 1988. We agree with that. But the people who wrote the Constitution never said the CNG had to be made up of those same people. So the composition of the CNG can be changed. And we ask that the members be changed, that's all, so the country can get back to normal.

The country's economy is going to pieces because of those people. The baccalaureat exams cannot be held because of them. They are clinging to power.

They must be enjoying power. I don't know... [changes thought] They say they have no political ambitions and yet they refuse to relinquish power. The Constitution says the Army should go back to the barracks. Let them go back to their barracks. Their very presence in the government... [changes thought] Already, in itself, all those members of the Armed Forces in the government constitutes a violation of the Constitution. It should not go on any longer. We cannot negotiate with them over the bodies of all those people they killed.

[Reporter] OK, a question for you, Mr Bourjolly.

[Bourjolly] Yes?

[Reporter] You said the Constitution says the CNG should stay in power till 7 February 1988.

[Bourjolly] Yes.

[Reporter] And you also said the Constitution does not say who should be a member of the CNG.

[Bourjolly] Yes.

[Reporter] And you also ask that the CNG step down. So the question I would like to ask you is: the Constitution is silent on how... [changes thought] If the CNG were to go, how could they proceed to replace it, to choose the people? How could they choose different members if the Constitution does not provide for... [changes thought] Were they to decide to change them, how are they going to do it?

[Bourjolly] We feel the Constitution was created by the people, so every citizen of Haiti must respect the Constitution. But the people created the Constitution, so the people have the right to choose. And the choice we feel would be the most correct choice is a choice that would take into account the real trend in society today, what is going on all over the country. So we think there should be prominent figures from all the departments, from each of the geographical departments of the country -- there are nine geographical departments. There should be at least nine prominent figures, whom the coordinators of the democratic sector could propose, who would constitute a new CNG, which would be given the task of leading the country and ensuring the transition to democracy. This is what we propose, and we invite all the provinces to mobilize and choose competent individuals to propose as replacements for the current CNG.

[Reporter] You just said the people ratified the 1987 Constitution.

[Bourjolly] Yes.

[Reporter] And now the people have the right to make a sovereign choice.

[Bourjolly] Yes.

[Reporter] So that means that if the people were to decide they wanted to choose someone else, they have a right to do so, because they have the final say.

[Bourjolly] Yes, that's right.

[Reporter] But don't you think that, now, if the people make another choice, or ask for something else -- since only they have the right to a say in the matter, the Constitution of 1987 -- if it goes against some other decision the people might make, do you think that the Constitution of 1987 will then abruptly become invalid?

[Bourjolly] It is the people who make a Constitution, and it is the people who unmake a Constitution. This means that that line of reasoning, that concern, I don't have. I am concerned with accompanying the people in all the decisions they wish to make. And we think the people today, considering the way they are presenting their demands, have enough maturity. We trust them to make decisions in conformity with their interests as a people and also with the national interest. In that sense, we feel the people's choice of prominent figures will also be in conformity with the country's desire for democracy, with the desire for pluralism that is evident throughout the country, so the situation can be resolved. In any case, that Constitution is a phase -- it is a moment in the life of the Haitian people. It isn't something fixed, definitive, untouchable. It is something transitory, just like everything else in life. But only the people can make a decision like that.

[Reporter] Mr Bourjolly, thank you very much.

[Bourjolly] Thank you.

OPPOSITION COALITION SEEKS PROVISIONAL GOVERNMENT

PA080057 Paris AFP in Spanish 0029 GMT 8 Jul 87

[Text] Port-au-Prince, 7 Jul (AFP) -- Three leaders of parties opposed to the National Government Council (CNG) proposed at a news conference in this city on Tuesday night that a new "Provisional Government Council" be named. The proposed government to be chaired by Felix Kavanagh, 72, vice president of the cessation court and a career justice, would be a political alternative to the current CNG headed by General Namphy.

The three party leaders in question are Sylvio Claude of the Haitian Christian Democrtic Party, Bernard Sansaricq of the Haitian People's National Party, and Yves Volel of the Christian Democratic Union.

The three opposition leaders, who said they were also speaking for a fourth party, the Liberal Democratic Party led by Pastor Charles Renelus, said they had elected Gerard Gourgue as vice president of the new council and General Jean-Baptist Hilaire, retired, as a member.

Claude, Sansaricq, and Volel, who emphasized the CNG's "treason" in response to the people's desires, pointed out that the new council would form a new government within 24 hours. The new government would deal with the country's problems until new elections were held.

AZCONA ON NICRAGUAN GOVERNMENT, REGIONAL SUMMIT

PA030451 Tegucigalpa Voz de Honduras in Spanish 1828 GMT 30 Jun 87

[News conference by President Jose Azcona Hoyos at the inauguration of a clinic; date and place not given -- live or recorded]

[Excerpts] [Passage omitted] [Garcia] Giovani Garcia from Voice and Images of Central America newscasts of San Pedro Sula, VICA. Good afternoon, Mr President, for VICA Channel 9. Is there really a desire for peace on the part of the government? It has been said that due to pressures by the United States, Honduras and El Salvador have not allowed President Arias' peace plan to become a reality. Is it perhaps that peace in Central America is in the hands not of Central Americans themselves, but of countries outside this area?

[Azcona] No. Honduras is for peace, absolutely. We are willing for peace to become a reality, but not by signing documents that are not going to bring peace to these countries.

I want to tell you something: If the system they are attempting to establish in Nicaragua should persist, there will be no peace in Central America, because there is simply not going to be peace in Nicaragua, the same as there was no peace in Nicaragua in the time of Somoza. This is because the Nicaraguan people do not want a dictatorship. Thus, we are not the guilty party. We are not shooting at Nicaraguans; we are very calm in Honduras. However, we have about 10,000 Nicaraguan refugees, and it is not our fault, either, that the refugees are in Honduras and that more and more refugees keep coming. The important thing for the Nicaraguan Government to become aware of is that it has to put in its two cents' worth so that there will be peace in Nicaragua and that this peace also will be a Central American peace. Someone has said -- and the Costa Ricans also said today very clearly -- that peace depends not only on Washington but on Managua. We [words indistinct]. If the people from Nicaragua do not want to put in their two cents' worth and understand that it is an enclave and that this enclave will never be left alone -- the Nicaraguans, in the first place, and in the second place, perhaps the United States -- I feel they are all very wrong. Honduras has no problem. We are for peace, totally. We are not fighting Nicaragua.

We did not request that the summit be postponed. When the Guatemalan president came here, he set the date for 6 and 7 August, and I accepted at once. If the others want to go to Guatemala on the 6th and 7th, I will go to Guatemala.

It is also important not to be fatalistic; if peace is not achieved with one presidential meeting, or if the problem is not resolved, all is not lost. This is a process. The Honduran president is willing to go to as many places as may be necessary to seek a peaceful resolution of the Central American problem. [passage omitted]

[(?Connie Arthur) from LA PRENSA and HRN] Thank you. Good day, Mr President. At the San Jose summit, at which several Central American presidents, with the exception of Nicaragua's Ortega Saavedra, took part, the already known Arias plan was submitted. Lately your government has been repeating that you support the plan, but with certain reservations. At this stage of the game, with the summit meeting only 1 month away, is that the position held?

[Azcona] I do not have reservations nor do I oppose the plan. What I have said is that the plan needs to be developed and set in order concerning the events stipulated therein; that is something else again. I do not have reservations. I am totally in agreement with all the points of the plan. But some of these points must be put in a logical sequence and the concept extended so no doubts remain and so it will be more applicable, so it will in reality guarantee the objective for which it was created by President Arias. I believe it has been a plan created with the utmost good faith by a good, worthy, and honest man such as the Costa Rican president. It has always been understood, and he has never been opposed to having some order established in the points he mentions, because he has not set them down in any sequence that must be followed. [sentence as heard] There is no problem on our part in this regard. [passage omitted]

[(Arthur)] My first question went unanswered. Here is the second one regarding the summit meeting on 6 and 7 August. It had first been said that President Daniel Ortega would not attend. Then it was reported that he would. I would like to know, has there really been a confirmation by the other presidents regarding their attendance? The other presidents had even said that it would not be possible to discuss even the beginnings of a solution to the problem without the Nicaraguan presence.

[Azcona] When the date was postponed to 6 and 7 August -- this was done, as I said, on President Cerezo's request -- it happened this way: We took a calendar, and he said: How does this date look to you? I said: It looks good; there is no problem. Then the date was presented to the Salvadoran president, and he said he agreed. The Costa Rican president was not here, but he said that he agreed to the postponement, if there was no other alternative, and that he was in agreement with the date. Afterward, in the joint declaration issued by President Daniel Ortega with Panamanian President Delvalle, in Panama City, he said... [changes thought] It is stated in the declaration that until the last minute the Nicaraguan president had maintained that he wanted the summit to be held on 25 and 26 June, but since this had not been possible, he agreed to attend on the 6th and 7th, at the request of several members of the Contadora Group.

Now, there is another -- not an agreement, because these things are not made through agreements, by signing protocols and the like -- but when we talked with President Cerezo, we mentioned the fact that before the summit meeting, that this should not be seen as the sole meeting, that more meetings must be held; if nothing is achieved during the meeting in August, well then, we can very well have another one in October -- that prior to that meeting -- which was not going to be the definitive one -- three meetings of foreign ministers would be held: one in Nicaragua, another one in Honduras, and another one in El Salvador. We had set the first one up to be held in Honduras, the second one I think in Nicaragua, and the third one in El Salvador. I did tell him clearly that we are not interested in having the first one here -- we can have the first one anywhere. It is not an inflexible thing. There is, however, an agreement that foreign ministers' meetings are to be held prior to the presidents' meeting, no matter where they are held. [passage omitted]

REGALADO ON ANTICRIME OPERATION, NORTH TESTIMONY

PA272101 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 25 Jun 87

["Exclusive interview" with General Humberto Regalado, commander of the Armed Forces, by unidentified reporter -- date and place not given]

[Excerpts] [Passage omitted] [Reporter] General, in a statement supporting your operation, Montoya [not further identified] said yesterday that the current criminal wave stems from a number of circumstances, and he mentioned the refugee issue, which is so dangerous and keeps the country in a nervous state. What is your opinion?

[Regalado] Well, yes, we have received reports that people who commit crimes have escaped from certain refugee camps. However, we believe this criminal wave is partly caused by the presence of a large number of citizens from various Central American countries and by a shortage of jobs.

[Reporter] General, is unemployment one of your true concerns in this country?

[Regalado] That is correct. We are optimistic about a new government project making this the year of exports. I think this will encourage people to produce more and allow them to obtain a job.

[Reporter] the people are asking whether this operation, which will benefit the Honduran people and has been well-received by them, will be permanent. What are your plans?

[Regalado] I said today that the duration of this operation will depend mainly on the cooperation given by judicial authorities, because they are involved in this task. We will place all criminals and people without documents arrested in this operation at the disposition of judicial authorities.

[Reporter] You already (?said) that in this country the Armed Forces need more economic support, especially the police. It was proposed in Congress that funds be transferred to the police to allow them to hire more policemen and increase the agents' wages.

[Regalado] Yes, the budget of the Armed forces corresponds with the needs of each force. Logically, the Public Security Forces have their own specific budget. We must understand that no police force in the world is capable of completely controlling crime. There are cultured European countries where the police have declared themselves incapable of controlling prostitution, crime, and vice. Therefore, we do thank the sovereign National Congress for its cooperation. This is not a problem of the Armed Forces; I believe this is a national problem. Each person must do whatever he can to eradicate crime and bring back tranquillity. [passage omitted]

[Reporter] As for the Iran-contra issue, U.S. papers are reporting that certain officers are involved. What is your opinion? Do you think this will harm the institution?

[Regalado] It bothers us to see reports in U.S. papers stating that we, the military, are nervous about what Colonel North could say. Actually, we have no reason to be nervous. If something does come up, the next Armed Forces administration will improve the image of the institution. We think that certain things have been invented by someone advocating a domestic political struggle in the United States and trying to involve the Armed Forces and governments of our countries, which are democratic and agree with U.S. Government policies. [passage omitted]

CENTRAL BANK ANNOUNCES AGREEMENT WITH CREDITORS

PA070358 Tegucigalpa EL HERALDO in Spanish 30 Jun 87 p 7

[Excerpts] The Central Bank [BANTRAL] reported yesterday that the commission for the negotiation of Honduras' foreign debt has reached an initial agreement with the country's commercial creditor banks on refinancing $220 million of the almost $2.5 billion owed them by the government. [passage omitted]

BANTRAL President Gonzalo Carias Pineda said that the negotiations were "successful" and that if the agreement is signed it would be a relief for Honduras, because it would again enjoy the confidence of the international financial community. [passage omitted]

The basic terms of the agreement reached in Washington, D.C. provide for refinancing $220 million -- or 8.8 percent of the approximately $2.5 billion owed by the government -- that fell due 6 years ago.

Honduras will repay this overdue amount within 14 years with a 6-year grace period. Interest will be payable at the LIBOR rate (average British rate) plus 1-1/8 percent until December 1988. This rate is equivalent to 6-4/8 on the international market, and, therefore, the actual rate to be paid to the banks will be approximately 7.6 percent.

In addition, the commercial banks will refinance the $18 million of interest accrued as of 31 March 1987, which the country could not meet and which was not contemplated in the original agreement. Honduras will pay this interest within 6 years, with a 2-year grace period, at the LIBOR rate and with the same surcharge of 1-1/8 percent. If the government manages to bring itself up-to-date with the payments as of December 1988, the surcharge of 1-1/8 will drop to 1 percent over the LIBOR rate. [passage omitted]

The chief BANTRAL official said the initial agreement between Honduras and its creditors solves the foreign debt problem for this and the next administration, which will assume power in 1990. [passage omitted]

ORTEGA INTERVIEWED ON CENTRAL AMERICAN DIALOGUE

PA012155 Mexico City EXCELSIOR in Spanish 24 Jun 87 pp 1-A, 18-A, 32-A, 35-A

[Interview with President Daniel Ortega by EXCELSIOR correspondent Djuka Julius in Managua on 23 June -- all quotation marks as published]

[Excerpt] [Passage omitted on introductory remarks and highlights of interview] [Julius] Mr President, the Central American dialogue and negotiation process is presently at a standstill. What possibilities do you see for its renewal?

[Ortega] That depends on the capabilities of the Central American presidents, President Duarte, for example, to decide on a policy independent from the pressures of the U.S. Government, because as long as there is weakness on the part of some Central American leaders, the Americans can easily break any negotiation process, any dialogue process, as it has done with the meeting scheduled for 25 and 26 June in which they pressured several Central American Governments -- as they undoubtedly did -- and found the weakest one in the Salvadoran Government. When a more consistent attitude exists among Central American leaders to confront U.S. pressures, the possibilities for dialogue will be seen.

[Julius] Do you believe that Nicaragua will maintain an open door for the summit even if it is postponed, if there is a return to what was originally stipulated for Guatemala?

[Ortega] We are willing to attend the meeting scheduled for 25 and 26 June; we believe this dated must be defended. There are still some days left, and we believe that the date on which all the Central American leaders agreed to meet should be defended. We cannot easily accept a government, in this case the Salvadoran Government, pressured by the U.S. Government, breaking this decision, breaking this commitment, and becoming an instrument of the U.S. policy that annuls a decision that took so much effort by the Central American leaders to make.

[Julius] During the speech you delivered several nights ago, you discussed the need for a reactivation of the Contadora and Support Groups, of the eight great Latin American countries. What kind of action do you believe Contadora can take? What does Nicaragua expect from Contadora at this stage of the crisis?

[Ortgega] I believe that this is a good moment for Contadora to act again, as it has done in times of crisis. It is true that Contadora has not succeeded in concluding a negotiation process with the signing of the document for peace proposed by Contadora. However, Contadora has maintained its operations and a very important deliberative role for peace in Central America. That is how we interpreted the meeting of the representatives of the eight Latin American Foreign ministers in January, when they came to Central America with the UN and OAS secretaries general.

"In these circumstances, which it is being proven that a dialogue of only Central Americans is not possible, because the weight that the Americans have is great and it crushes the will that even President Duarte may have, a space has opened for Contadora to act in support of the Central American dialogue, in support of a dialogue without the kind of conditions that President Duarte has proposed and with the participation of Contadora itself.

"If Contadora acts and participates in the establishmnt of a Central American dialogue, then we will be creating a barrier to defend the Central American countries in the face of U.S. pressure. It would really be a Latin American defense, which would contribute to the possibility that the Central American leaders could talk with greater precision and act with more firmness in the face of U.S. pressures, which will continue to be exerted on the Central American leaders.

"What President Duarte has proposed in his famous plan, the string of foreign ministers' meetings as preparation for a final presidents' meeting in August, is a total fallacy. It is a de facto proposal to give the Reagan administration time; so that the dialogue will fail at the same time when the Congress gets ready to vote on the assistance to the contras; so that the Reagan administration can say: Here it has been impossible to reach an understanding. You people cannot reach an agreement, and that is Nicaragua's fault. Therefore, the $105 million must be approved.

We can see what will happen to Duarte's proposal. Talks will begin, and, at the first meeting, the foreign ministers will begin to attack one another, and the accusation will be against Nicaragua.

"Out with the Salvadoran foreign minister, out with the Honduran foreign minister, and other foreign ministers will reply. Then the possibility of holding a presidents' meeting will be complicated because the foreign ministers will not come to anything, will not reach an agreement. Then another foreign ministers' meeting will be proposed, and again the presidents' meeting will be postponed, and it will go on like this.

"That is why we believe that the most important, the immediate thing is to keep the date of the presidents' meeting on 25 and 26 June.

"We do not have an intransigent position. I suppose that because of the reasons that have been mentioned it will be difficult to hold the meeting on 25 and 26 June. Well, then why don't we have it on the 27th or the 28th? The presidents' meeting must take place as soon as possible.

"With the support of Contadora, with the support of Contadora [repeat himself], with the participation of Contadora supporting that effort by the Central Americans morally and politically. [sentence as published]

"The presidents can decide, not the foreign ministers, on what actions can be taken immediately. We are totally familiar with the problem, the problem is very well known by all the Central American presidents. We can identify points of agreement and act on them. We can do this. And this must be done right away. We cannot be waiting now for a hypothetical meeting that will not take place."

[Julius] You took part in Esquipulas I. What was your impression? What experience did you gain? Was it a positive experience which led you to feel that it is worthwhile for the Central American presidents to meet to resolve those problems?

[Ortega] I found positive aspects and negative aspects.

"But it is worthwhile to defend the positive aspects, which are the interesting ones. [paragraph continues]

The first positive aspect is that throughout all these years of crisis, the Central American presidents were able to meet for the first time, in May 86. This became a historic event, because it was doing away with the will of the United States to hinder any possibility of a dialogue among Central American heads of state.

"This type of direct encounter has been continuously sabotaged by the United States by exerting pressure on the Central American governments so this type of meeting does not take place.

"I would, therefore, say that is a positive element, because it shows that deep down there exists a minimum of patriotic sensitivity, of Central Americanist sensitivity on the part of the Central American rulers, a minimum of responsibility, and this gives rise to expectations such as those which arose with the meeting to be held on the 25th and 26th.

"Generally the United States exerts a lot of pressure -- we do not know what type of threats they have used against President Duarte -- and they broke President Duarte's resistance.

"In view of the experience we gained at Esquipulas, we have not lost hope that President Duarte may regain a minimum of firmness and may be able to resist the U.S. pressure and not allow himself to be used as a tool for hindering, sabotaging, and boycotting the dialogue of the Central American rulers."

[Julius] Do you not feel, Commander, that if President Duarte were to assume a firm attitude to recover an image of independence and Central Americanist good will, as you say, this also would be useful to him in the domestic dialogue for peace in El Salvador?

[No indication that Ortega is speaking as published] President Duarte is in a very difficult situation. His problem is that his projected economic, social, and political reforms which were very advanced for El Salvador, were impossible to carry out. This was not possible due to the U.S. pressure and the resistance of the oligarchy that opposed his plan. President Duarte is unable to implement his reform plan because the oligarchy is opposed to it.

"He is becoming more and more a tool of U.S. policy and a tool of the Salvadoran oligarchy. He has become a tool of those oligarchs who attack him, who threaten him, who would like to kill him, and who accuse him of being a radical, because that is really the way they see him. In fact, he has become a tool of the oligarchy.

"Because if President Duarte had exerted himself to the utmost, and if he had the necessary strength to put his reforms into effect, then either he would have made it with the support of the Armed Forces themselves and certain sectors of the population, or else the Armed Forces, pushed by the oligarchy and supported by the United States, would have staged a coup.

"He should have taken that risk. In historic moments, decisions are crucial for a political leader's future. President Duarte did not want to take the risk, and those who do not take risks in politics cannot progress; those who do not take risks in politics cannot win; those who do not take risks in politics can only stagnate and go backward.

"Thus, at this time, President Duarte no longer represents the interests, purposes, and proposals which he represented at the time he took office. How he is a tool of the United States; he is a tool of the oligarchy that would like to see him dead.

"Because if President Duarte had acted firmly and the coup had taken place, the situation in El Salvador would be very different. Possibly the oligarchy would have already disappeared in the face of a triumphant revolution in El Salvador, which would have committed all forces, including President Duarte.

"Then, vis-a-vis the revolutionary movement, how can President Duarte be flexible if he has no autonomy, no independence?

He has no possibility of developing his own policy, and he is facing a weakening of his own party, even. He is demonstrating that his attitude with regard to the Salvadoran revolutionary movement is nothing more than the reaction of a president who is acting as an instrument of an interventionist policy, such as that of the U.S.

"Meanwhile, remarks by various media denote a certain degree of interest in the points set forth by the Salvadoran guerrilla movement. However, here the problem is no longer being defined by the Salvadoran political sectors, but by the U.S. policy, through President Duarte; thus arises the insecurity regarding the guerrillas' peace proposal.

[Julius] Mr President, I have the impression that regional peace attained through negotiations among the five Central American governments would be a very important event through which Duarte could recover internal political strength in El Salvador for the negotiations with the revolutionaries. What do you think?

[Ortega] Yes, but it seems that President Duarte is increasingly losing his political power. In other words, if he had a little power left, it would tend to die away; if he if he had a little political stability left, it would tend to wane as well. Proof of this is that Duarte insolently and shamelessly lent himself as an instrument of sabotage before international and local public opinion when the Guatemalan meeting was canceled following Philip Habib's arrival.

[Julius] Commander, in the same vein, Nicaragua is often accused of exporting revolution, helping the Salvadoran guerrillas by sending supplies, and meddling in El Salvador. Is there truth in this? What is Nicaragua's stand on this? What is the real relation between Sandinism and the Salvadoran guerrillas?

[Ortega] We have historical ties, because Central America shares a common cause, especially those countries that have been subdued in the past and are currently being subdued.

The Salvadoran struggle against the oligarchy, exploitation, and U.S. domination is as old as that of Nicaragua's.

"Therefore, we have a historical identity, a historical identity of objectives, a common objective shared by the Salvadoran and Sandinist revolutionary movements. We have maintained our political and moral support and our identification with the Salvadoran people's struggle during the entire revolutionary period and scourged us [as published]. We have clearly maintained this position at international forums.

"Salvadorans have their own course, personality, and policy. We play no role in this regard; we play no role in determining what tactics and strategies must be followed in their struggle, in the revolutionary war in El Salvador. We have no influence in that; they determine their own policy.

As for logistics -- weapons, guerrilla training, logistical support -- of which Nicaragua has so often been accused, there were many cases at the beginning of the revolution here in Nicaragua involving many Nicaraguans, even officers from our Army, who left on their own initiative to join the Salvadoran movement. They thought that everything had been done in Nicaragua, that there would be no more problems in Nicaragua, because they had experienced a revolution and were now called on to help another revolution. Moved by a Central Americanist spirit, they left to help the Salvadorans.

"Also, on their own initiative, certain members of the Armed Forces provided weapons to the Salvadoran movement.

"However, I cannot deny that in the flow of weapons involved in every revolutionary movement, just as ours in the past, some weapons pass through certain countries that must be crossed to reach the final destination, and this does not necessarily take place with the consent of the respective governments.

"We brought weapons from the United States without the consent of the U.S. Government. On one occasion, one of our comrades, who was in charge of logistics and who is currently Nicaragua's tourism minister, was captured because no weapons could be sold to Nicaragua [as published].

"Therefore, weapons could pass through Nicaragua for El Salvador; however, only a very small number of weapons are involved. They could also pass through Costa Rica and Honduras. These weapons are somehow concealed as they pass through these countries.

"However, we could not say that the Nicaraguan Government's policy is to establish logistical support for the Salvadorans as the United States has done for the Salvadoran Government. The comparison drawn by the United States that Nicaragua is helping Salvadoran revolutionaries in the same way that Reagan is helping the Salvadoran Army does not hold; such a comparison cannot be made.

"The United States is the main supplier of weapons to the Salvadoran revolutionary movement because the U.S. Government gives weapons to the Salvadoran Army. The revolutionary combatants have seized an impressive number of weapons from the Salvadoran Army. This is a revolution that is arming itself with the arms of the Salvadoran Army in a massive way."

[Julius] Commander, as part of an agreement on peace in Central America within the context of Contadora, would Nicaragua accept an agreement that establishes that any support for the so-called irregular forces is strictly prohibited and that establishes effective controls to enforce this? Would Nicaragua have any problem in signing such an agreement?

[Ortega] We have been totally willing to sign it. We have even made proposals regarding this to the Central American governments in a bilateral manner, and we have been willing to sign a multilateral agreement within the context of Contadora.

We had accepted all of the established procedures in the Contadora Peace Act. We only had one point pending, concerning arms and security and verification, complementing what would be established. However, that is where there was a stalemate.

"The United States sabotaged the possibility of signing the act through El Salvador.

"It used President Duarte at the Esquipulas I meeting in Guatemala; at the conclusion of the meeting, we were all ready to sign the communique, which expressed willingness to sign the Contadora Peace Act on 6 July. We were all in agreement: President Cerezo, President Arias, President Azcona, and I.

"At the last minute, when the communique was ready, President Duarte said: No, I cannot sign that because it would only benefit Nicaragua, because it would work against the approval of the $100 million for the contras, and that would make the U.S. Government turn against me, leaving me in very bad standing. The government would not survive in those conditions."

"He said this very clearly, therefore, that is the proof that Nicaragua has been willing to sign the agreement. Several Central American presidents were witnesses there. President Duarte will remember very clearly what occurred on that occasion."

[Julius] President, returning to the Contadora efforts, you mentioned the great opportunity of the Central American foreign ministers' mission last autumn. Do you think the current Central American situation demands similar action? Do you think a similar mission would be opportune?

[Ortega] We would prefer not to give our opinion on that matter, because we might be misinterpreted. I do believe that special actions would be advisable. What kind of actions? The Contadora Group should decide that the situation is very grave. In other words, the negotiating space that had been opened has shrunk considerably; it is practically closed.

"Therefore, because there is little space, the Contadora Group must try to get in and reopen the negotiating space. That is why I say the Contadora Group's actions are of great importance at this time, because there is real danger of an intervention by U.S. troops. The danger is real; we have been warning against it all this time. The danger exists now more than ever before.

"There are people in the United States -- and some Central American and Latin American government leaders -- who believe that an invasion of Nicaragua is no longer possible. That is political miscalculation, because President Reagan has approached the Nicaraguan issue in such a way that he has even overlooked political tactfulness and political sensitivity when dealing with the problem. He has even mistreated President Arias, who has proposed an honorable solution for the U.S. Government regarding the Central American conflict."

[Julius] Then why does Reagan act that way?

[Ortega] Because Reagan wants to destroy the Nicaraguan option, because Reagan has committed himself toward destroying the Nicaraguan option.

"We must take into account two important factors at this time.

1. [No No 2 as published] The overall international situation. The United States and Reagan are trying to reach minimum agreements -- and I would think that they are interested in reaching minimum agreements -- on the subject of missiles. Of course, this will give Reagan a positive role in history.

"However, Reagan also believes that just as an overall agreement can be reached on that matter, he can also demonstrate that regional problems can be resolved by force.

"In other words, he negotiates for overall agreements, because world peace is at stake and because it is a matter of the survival of the human race, including the U.S. people. However, he believes regional problems can be resolved by force.

"So, as part of his hegemonic mission and egotism, Reagan is probably thinking of a strategy that will permit the United States to arrive at overall agreements with the USSR on the subject of missiles, and, at the same time, may be thinking of a strategy to destroy the Nicaraguan revolution by any means, including an invasion by U.S. troops.

"Hence, the great danger we are facing. With each day that passes, the possibilities for a dialogue and negotiation are reduced to a minimum, or have practically disappeared, which increases the risk of a military action by Reagan against us.

"It is necessary to have more action, more supervision by the Contadora and Support Groups, by the EEC, to prevent an intervention in Nicaragua. The possibility of an intervention should never be ruled out.

"We must not forget that the revolution is growing in El Salvador, and that the development of that revolutionary war could lead to U.S. military intervention in Central America. It could begin in El Salvador, also hitting Nicaragua."

[Julius] Tell me, Commander: Will you explain this situation in the letter you are sending to the governments of the Contadora Group? What does it basically state?

[Ortega] Yes, we wish to voice all these concerns to Contadora. We wish to convey our concerns, worries, and viewpoints on the real danger threatening us: the danger of an invasion, which Democratic U.S. congressmen themselves are not dismissing.

"I have met with U. S. congressmen who advocate peace and a negotiated solution. When I ask them about an invasion, they say: From a logical and rational standpoint, there are no conditions for an invasion: however, given that the Reagan administration is as it is, we can expect anything anywhere."

[Julius] Do you believe that the Irangate-contragate scandal has weakend President Reagan's position in this regard? In other words, do you think that this will weaken him or that the weakening itself will lead him to launch such an action?

[Ortega] It will weaken him. However, as a result of this, he could resort to an action of this kind to recover power.

You mentioned the work of the Contadora Group. Allow me to say that there is an important budding Latin American action to help Nicaragua, which has two objectives: economic aid because Nicaragua is facing great difficulties, and political aid to highlight and help Nicaragua achieve its independence and emphasize the Latin American framework of the Nicaraguan revolution.

We think that not only Nicaragua, but also all the other Central American countries first need Latin American interaction and then interaction with the EEC to achieve greater autonomy and peace for all Central American governments to enable them to turn Central America into an area of peace.

"To turn it into an area free of any kind of commitments with the great political military poles of influence. [sentence as published] Therefore, the achievement of genuine peace and a policy of nonalignment in Central American countries would greatly depend on the willingness first by Latin American countries and by European countries to contribute to the recovery and development of our economies.

"That would give the area a greater opportunity and field of action become a neutral zone and to establish its own political plan in favor of democracy."

[Julius] Therefore, I understand that you are not calling for Latin American aid exclusively for Nicaragua, but for the other Central American countries as well?

[Ortega] "Because, I repeat, to the extent that they receive this kind of aid, other Central American countries also will have the opportunity to defend this policy of neutrality for the Central American region. That is, we must turn Central America into a neutral region, a neutral zone.

"It is obvious that Nicaragua urgently needs this support, becasue it is suffering from an aggression and a financial blockade at multilateral organizations; it is suffering the direct impact of U.S. aggression, which hurts our economy.

"The response received by Nicaragua is not in keeping with the critical situation it experiences -- that is, we cannot say we are receiving an international response in keeping with the critical situation we are facing. Nicaragua is receiving cooperation, but that cooperation is not sufficiently significant to meet the most vital needs of the Nicaraguan economy.

"We currently are receiving cooperation from European countries, Canada, Latin American countries, socialist community countries, the USSR, the PRC, India, Libya, and Iran. However, the sum total of all these contributions is not enough for Nicaragua to satisfy its minimum vital needs. [paragraph continues]

This threatens to cause a collapse of the Nicaraguan economy and forces us to make very large readjustments in our economy; we are even forced to make sacrifices in certain areas that are very important for production, the agricultural farming sector, and the industrial sector."

[Julius] Mr President, I understand that the Soviet Union welcomes and even encourages a greater proportion of Latin American aid with a double purpose, economic and political, to be able to cut back on Soviet aid and aid from the socialist bloc, which irritates the United States so much. What is your view on this?

[Ortega] I am not aware of an official Soviet position on this. What I do know is that Soviet assistance, which is very important to Nicaragua, is not enough to cover Nicaragua's needs, and that Soviet aid, together with the aid from other European countries that cooperate with Nicaragua, the aid that has been approved in China, the aid from India, Canada and other countries, including Libya and Iran, and from the Latin American countries -- all of that assistance put together at this time does not cover the basic needs of the 1987 economic plans, which are very stringent and include a policy of freezing or practically sustaining the survival of the economy.

"We have a deficit of $225 million. Who covers that deficit? No one does. What I mean is that there are good intentions, positive political rhetoric, and good proposals, but in practice no one covers that deficit. So then the Nicaraguan people must carry it on their shoulders. Therein lies the tremendous sacrifice the Nicaraguan people are making amid conditions of war, aggression, and blockade imposed by the United States."

[Julius] In the specific case of fuel, how would you see actions by Mexico and Venezuela to fill the gap in the supply of oil? What is being studied with regard to a reduction in Soviet supplies?

[Ortega] Regarding Soviet supplies, there is no reduction. They simply have never committed themselves to giving us all the oil; that is, they give us a limited share that is enough to cover 50 percent of our requirements.

"Soviet supplies cover close to 50 percent of our requirements, but more than 50 percent is left unfulfilled. If 55 or 60 percent is left outstanding, this means that our oil needs are not covered. Therefore, we must undertake multiple efforts.

"Naturally, a reactivation of Mexican and Venezuelan cooperation with regard to the sale and supply of oil would be very important in helping to sustain the Nicaraguan economy."

[Julius] A last question. I am under the impression that there has been a reaffirmation of Nicaragua's independent, autonomous, and nonaligned position in its domestic and foreign policy, in the sense that it is following its own course. You mentioned the neutral position of Central America. Am I correct in this? And second, what does this have to do with the important rebirth of the spirit of Latin American unity expressed by the Group of Eight?

[Ortega] The Nicaraguan revolution works within a Latin American context; that is, it is not an exogenous element, but an element that is part of and developing within the Latin American context.

"It was not fortuitous that there was substantial support for the Nicaraguan revolution when the Nicaraguan people were demanding that help during the struggle against Somoza. Leaders like Omar Torrijos of Panama, Carlos Andres Perez of Venezuela, Jose Lopez Portillo of Mexico, Rodrigo Carazo of Costa Rica, and Cuba's Fidel Castro supported us. These were five important Latin American leaders from various parts of the region, including the Caribbean, the north, the south, and Central America. There was agreement on joint action to prevent U.S intervention in Central America, which the Carter administration was so intent on during the 17th OAS consultation meeting in June. Those leaders had very concrete ideological positions in some cases, and, in others, very different ideologies. [sentence as published]

"Thus, Nicaragua cannot be disconnected from that historical element. Nicaragua became a point of conscience [consiencia] and convergence of that spirit of Latin American unity, which at that moment brandished the banner of Bolivar in the arms of those five Latin American leaders. From there, Bolivar's banner was raised to help liberate a Latin American people, the Nicaraguan people.

We feel that it is from this angle that the Sandinist revolution has to be understood within the Latin American perspective.

"We see that this is the path that we have to continue, that it is the correct path, that this is the path that we must continued to defend: that is the path of nonalignment, political pluralism, and mixed economy and essentially basing our support on Latin America.

As you say, there is a rebirth of the spirit of Bolivar in Latin America. It is a rebirth in the political field, in the financial field, and in the commercial field. The problems which exist now have always existed, they are not new, they are not being discovered now.

"What is new is that for the first time there is action by Latin America which is determined to firmly face the United States and to demand from it a new type of relationship in the economic, political, and financial areas.

"As we have said, it is not a Latin American movement in the Bolivarian sense to wage war against the United States, but it is a matter of waging war against the bad U.S. policies and of trying to get to the United States to change its policy toward Latin America.

"It is to achieve a change in the U.S. policy so that it will stop implementing protectionist policies which harm our development possibilities. The debt problem should be addressed with realism, establishing a new type of relationship between Latin America and the United States so as to benefit each other.

"That anti-imperialist feeling that is currently becoming deeper in Latin America would be reduced in direct relationship to the U.S. change in that attitude."

[Julius] Does this Latin American spirit encourage Nicaragua to be more independent and nonaligned?

[Ortega] Yes. We are duty-bound as Latins to swim in those waters. This is our sea; we have to live and die in these waters.

"To the extent that we get the Latin American countries to pay attention to the Nicaraguan problem, I think the Latin American awareness and understanding increases with regard to an interrelationship, to the fact that a blow against Nicaragua means a blow against Latin America.

"It is being shown here that despite all its might, the United States cannot do as it pleases, and it is facing a small country like Nicaragua.

"If a small country like Nicaragua can withstand the pressure of a power like the United States, what couldn't be done by a Latin American country that is bigger in geographic area, population, and economic aspects?

"What couldn't a group of Latin American countries or all the Latin American countries do if they were united with a common objective? We would then be a really powerful force that, without having nuclear weapons, could perfectly withstand U.S. policy and promote a change in U.S. behavior toward Latin America and the Caribbean."

[Julius] Do you think Nicaragua and the United States could reach an agreement in the near future?

[Ortega] I think we would have to reach such a necessary agreement, perhaps even after a U.S. intervention in Nicaragua. [sentence as published]

FSLN SAYS CIA PLANS TO MURDER OBANDO Y BRAVO

PA072109 Panama City ACAN in Spanish 2040 GMT 7 Jul 87

[Excerpt] Managua, 7 Jul (ACAN-EFE) -- The Nicaraguan Government has discovered a plan to attack Cardinal Miguel Obando y Bravo that it has attributed to the CIA and the "contras," official sources informed ACAN-EFE today.

Quoting an intelligence report, the source said the plan had been prepared at meetings held in the Honduran city of San Pedro Sula.

The meetings were held at the home of Nicaraguan Cesar Arana, apparently linked to the "contras," and participants included a former U.S. ambassador to Honduras and other people, all of whom are "U.S. and Nicaraguan citizens."

The official source did not disclose the identity of the participants, but he said Nicaraguan intelligence had obtained the information 3 weeks ago.

According to the information, the attack would presumably be perpetrated in Nicaraguan territory by a commando contracted especially for the purpose.

"The objective," the source said, "is to blame the attack later on the Sandinists to heighten the conflict between the church and state and to cause political and social upheaval within the country."

When questioned by ACAN-EFE, a spokesman for the local curia said "the cardinal is not afraid; he is not nervous because he is in God's hands."

The spokesman, Father Uriel Reyes, added that Obando y Bravo had previously received death threats. However, despite everything, he has always turned down the offical escort offered by the government "because he believes in eternal life."

"Msgr Obando y Bravo," Father Reyes added, "is willing to endure all types of suffering and to give his blood for the Catholic faith." [passage omitted]

U.S. 'SPY' AIRCRAFT REPORTED OVER TERRITORY

PA072359 Panama City ACAN in Spanish 2335 GMT 7 Jul 87

[Text] Managua, 7 Jul (ACAN-EFE) -- Defense Ministry sources revealed that a U.S. SR-71 "Blackbird" "spy" plane flew over Nicaraguan territory.

According to the ministry's latest report, there have been 13 violations of Nicaraguan airspace by U.S. "spy" planes between 5 June and 5 July. These planes have electronic and photographic intelligence gathering capabilities.

The same source revealed that the U.S. aircraft carrier President Eisenhower is approaching Central American coasts and will apparently be anchored off the Nicaraguan coast on 19 July, during the Sandinist revolution's 8th anniversary celebration.

The Defense Ministry added that the "spy" flight and the arrival of the aircraft carrier are within the framework of war maneuvers the U.S. Army is currently undertaking in Honduras.

NORIEGA GRANTS NEWS CONFERENCE 25 JUN

PA262340 Panama City Circuito RPC Television in Spanish 1730 GMT 25 Jun 87

[News conference given by General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, to unidentified local and foreign correspondents at the Defense Forces headquarters in Panama City on 25 June -- recorded]

[Text] [Noriega] Without broaching the personal side of the matter -- this will not be necessary because this is a dictatorial action against the Republic of Panama -- we find that two important events are scheduled to take place in 1989. Along these lines we can say that a president, who must have the stong support of the people, will be elected in 1989. Why? Along these same lines, we find that in 1989, Panama will take over the chairmanship of the Panama Canal Commission. The current chairman of the Panama Canal Commission is a U.S. citizen. In 1989, a Panamanian will be the chairman of the commission and a U.S. citizen will be cochairman. Huge labor, economic, and cultural changes will begin in Panama at that time. We find that when this happens, the president will have to sit down and talk with the United States to draft a schedule for the takeover of the canal. He also will have to talk about the geopolitical interests of the region, reach agreements, and set guidelines for the 1999 takeover. The United States will have to hand over the key to Panamanian territory at noon on 31 December 1999.

We view all that has happened as a dictatorial plot because they wish to advance the 1989 deadline. They want to advance the 1989 deadline, and therefore are demanding a government junta and the overthrow of President Delvalle. Why? Because the people do not have the desire to react when they have in view such lofty objectives as the complete takeover of the canal.

You know the various means, methods, and weapons the subversives use. The octopus -- the hands of the subversives -- cling to foreign interests, interests ranging from economic to political. They use this to subject, frighten, and discredit people who are upholding radial and upright positions. The position of the Contadora Group, Panama's position within the group, is a radical position for the good of peace. The powers do not want these types of weapons [radical positions]. However, in the face of other persons' human weaknesses, these weapons fall prey to the appetites of international strategy. That is all I can tell you.

[Reporter] General, as far as I have understood, you claim that these are foreign forces or forces who are directed from abroad. Being a bit more specific, a charge was made against the European Christian Democrats. Are you referring to those forces or are you referring -- as we have interpreted your speech -- to the other side? You spoke of the other side when ironically referring to [words indistinct]. Which force were you referring to? The two forces.

[Noriega] Both forces. Proof of this is that Ecuadoran President Leon Febres Cordero has presented similar charges. Here we see that there is economic manipulation. This is not a new method. I am not discovering water. It is something that exists. With that money they want to overthrow Latin American governments.

[Reporter] [Words indistinct] that the government should talk with the opposition?

[Noriega] We see contradictions in the requests being made by those groups. They say that the presence of the Defense Forces is exaggerated. They go to their foreign power sources to say that there is an exaggerated presence of the Defense Forces. Why do they keep sending us little pieces of paper on electoral tribunals and laws? Why do they not go talk to the president? If the problem is a political one, then go talk to the president and let the Defense Forces withdraw and do its duty. But if they continue to send papers and continue to seek some influence within the Defense Forces to get a law passed or overruled, then they contradict themselves, and the politicians are the only ones to blame for this, especially the opposition politicians.

Therefore, I am requesting and presenting a solution: They should go to the presidency; they should go to the president and to other political parties. That is the solution. We should be left out of those decisions.

[Reporter] General, what were the results of your meeting with Nicaragua's Commander Ortega?

[Noriega] As you know, he met with President Delvalle in a working session. When he came to our headquarters, we went over his meeting with Delvalle. We believe Central America has won in this visit. President Arias from Costa Rica has won. Why? Because Nicaragua's refusal to attend the Esquipulas meeting was discussed in Panama, and good results were obtained. That is, President Ortega is willing to travel to Guatemala, and President Arias' plan will be discussed. It will be based on the Contadora peace process. We believe Panama has contributed to Central American peace.

[Reporter] Do you still uphold the theory that the military should be involved in peace talks?

[Noriega] That is correct. I suggested to President Ortega and his cabinet that military forces of the entire region should sit down to discuss this. It is a military problem. This problem has a diplomatic and political aspect to it, but the heart of the problem is one of war and of military strategy. Only the military knows what the balance of the arms buildup in the region is. Only the military knows what the critical points are. The military knows how many foreign advisers should leave or should remain in a certain place. Diplomats do not speak this language; neither do politicians. Only the military speaks this language.

Therefore, I insist that the solution is that all Central American military officials should sit down and discuss the military problem, and after they have analyzed the situation, they should present their analysis to their respective governments so agreements can be reached.

PROGOVERNMENT, OPPOSITION GROUPS DEMONSTRATE

PA080128 Hamburg DPA in Spanish 0000 GMT 8 Jul 87

[Excerpts] Panama City, 7 Jul (DPA) -- Progovernment and opposition groups today demonsrated on Panama City streets. This has been viewed as a preamble to the big demonstrations that will take place on Thursday and Friday in the Panamanian capital. [passage omitted]

The progovernment Democratic Revolutionary Party (PRD) has made an appeal for a rally in this historic 5 May Plaza at 1000 on Thursday. The opposition groups headed by the "National Civilianization Crusade" will have a rally at 1500 on Friday at El Carmen Church Park.

The government has granted permission for the two rallies because individual guarantees have not been suspended.

[Panama City Televisora Nacional in Spanish at 0000 GMT on 8 July carries the following announcement: "Panamanians: Reaffirm your pacifist will. Join the big rally for national sovereignty and dignity on Thursday [9 July] at 5 May Plaza and say 'Yes' to the defense of territorial integrity and to our right to decide on our future as a free and sovereign country. Join progress, economic development, and national sovereignty in a climate of peace and harmony at 0900 on Thursday at the 5 May Plaza. The event will be closed by General Manuel Antonio Noriega with a speech in which he will make important statements on the national situation. Not one step backward!"]

Progovernment Caravan Protested

PA080131 Panama City ACAN in Spanish 0023 GMT 8 Jul 87

[Text] Panama City, 7 Jul (ACAN-EFE) -- The four parties of the ruling coalition today headed a "pro-sovereignty" caravan, which was protested by residents of the neighborhoods that the caravan passed through. The caravan, which began at 1530 local time (2030 GMT), dispersed after 1 hour because many of the participants mistook or lost track of the planned route. The ruling parties called for the demonstration "to defend the national sovereignty" and to denounce the U.S. intervention in Panama's domestic affairs. The police did not intervene during the course of the caravan. No incidents occurred, save for verbal confrontations between government demonstrators and members of the opposition who were in the streets. The caravan carried slogans such as "Homeland, people, and peace." Participants in it shouted "seditious" and "turncoats" to those who protested their passage.

The opposition people, in turn, described the government caravan as a demonstration in support of General Manuel Antonio Noriega, commander in chief, who was recently charged with murder, electoral fraud, drug trafficking, and abuse of power. Referring to Noriega, the opposition people chanted "He will surely leave." The opposition is demanding an independent investigation to prove the charges against him. In the capital's banking area and in the commerical area along Via Espana, the caravan was overshadowed by the waving of white handkerchiefs and papers from buildings and by the noise from pans and other metallic objects being beaten. Since civic protests began in the capital early in June, the horns, handkerchiefs, and pans have become symbols of those who advocate that Gen Noriega be removed. At 1800 (2300 GMT) the opposition caravan began its daily trip. It traversed nearly the same streets as those that the government caravan had traversed a few hours previously.

PRD Caravan 'Attacked'

PA080132 Panama City Televisora Naccional in Spanish 0048 GMT 8 Jul 87

[Text] The crisis in Panama almost came to a head this afternoon when the caravan of cars organized by the UNADE [National Democratic Union] was attacked. Eliceo Castillo, a member of the PRD [Democratic Revolutionary Party], describing the incidents on Via Argentina, said the following:

[Begin recording] [Castillo] On Via Argentina, in front of the Arrocha pharmacy and the Galaxia restaurant, members of the UNADE parties were victimized by members of the little white flags group -- I will not describe them as political parties because I would be lying, but as members of the little white flags group -- who destroyed PRD cars, removed PRD flags, even took the national flag from some of the PRD members and trampled on it; they tried to perpetrate acts of violence. However, heeding President Eric Arturo Delvalle's calls, we maintained peace and paid no attention to them.

[Reporter] Were there any injuries?

[Castillo] No. Thank God there was none, because President Delvalle has called for peace and wisdom, and as members of the PRD -- although we wanted to fight -- we allowed them to continue playing. Today they played with the dog's chain [as heard] and can continue to do so. However, the next time the UNADE holds a rally or a demonstration and they try to play with the dog [as heard], they will pay dearly. [end recording]

DELVALLE SUSPENDS ALL DEMONSTRATIONS, RALLIES

PA080402 Panama City Panavision Television in Spanish 0334 GMT 8 Jul 87

[Text] The press office of the presidency announces the following to the public:

The president of the Republic, in the exercise of his constitutional and legal powers, considering that a serious climate of collective tension exists at present, which has lead to the disruption of public order and has resulted in injury to people and damage to private property; that the president of the Republic has urged the people to cooperate for the speedy restoration of peace and tranquillity in the national territory; that the convocations by political parties to hold meetings and rallies constitute, under the present circumstances, factors that make emotions get out of hand and result in serious disruptions of public order; that it is the president's responsibility to adopt, with the greatest vigor, measures necessary to preserve public order, as set forth by an article of the Constitution; that, until it is certain that collective political demonstrations will not result in irreversible injuries and damage to people and property, it is imperative to avoid such rallies, hereby decrees:

Article 1. The political demonstrations and rallies convoked for Thursday, 9 July; and Friday, 10 July are hereby ordered suspended becaue of their immediate danger for the physical integrity of the participants, passers-by, and other people.

Article 2. The Ministry of Government and Justice will adopt the indispensable measures so that while the current circumstances prevail, political meetings and rallies shall not be held at places of normal use, such as public streets, plazas, squares, or anywhere else where traffic could be hampered, public order could be altered, or third persons' rights could be violated.

Article 3. This decree will become in force as of this date.

Panama, 7 July 1987

UNADE Rally Organizers Thanked

PA080411 Panama City Panavision Television in Spanish 0336 GMT 8 Jul 87

[Message from President Eric Arturo Delvalle issued in Panama City on 7 July 1987 -- read by announcer]

[Text] His Excellency, President Eric Arturo Delvalle, sincerely thanks the presidents and secretaries generals of the UNADE [National Democratic Union] parties as well as all the distinguished members of the committee organizing the grand rally to be held on 9 July at the 5 May Plaza for the extraordinary efforts they have made to guarantee the habitual success of all UNADE demonstrations. The president also thanks the honorable legislators, the corregimiento representatives, all the natural leaders of our parties, and all the Panamanians who support his administration for all the efforts they have made to organize a mass rally of popular and fraternal backing with human warmth from our sympathizers so that, just as he stated in his message to the country this past Sunday, his strong desire for reconciliation among all Panamanians may prevail by setting aside unchecked emotions, intransigence, and violence.

His Excellency the president has verified on multiple occasions your patriotic zeal and maturity as citizens, and for this reason he is sure that you will understand the important intentions that move him to adopt the announced measure to secure peace in the republic.

Panama City, 7 July 1987

MILITARY REPORTEDLY NOT TO 'SACRIFICE' NORIEGA

PA072133 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 7 Jul 87

[Excerpt] Panamanian political circles reported today that Panamanian military authorities are prepared to withdraw to strictly military functions to facilitate a reconciliation with the United States. The sources have said, however, that the Armed Forces will not sacrifice their strongman, General Manuel Antonio Noriega. Meanwhile, retired Colonel Roberto Diaz has said he is prepared to reiterate his charges of corruption and electoral fraud against Noriega. [passage omitted]

POLITICIANS' MESSAGE TO U.S. SENATORS PUBLISHED

PA070035 Panama City CRITICA in Spanish 30 Jun 87 p 24

[Words in uppercase as published]

[Text] Mr ARTHUR DAVIS
U.S. Ambassador to Panama

Mr Ambassador:

If your country's senators do not know international laws, let them study and apply them before making sudden attacks. [paragraph continues]

The 84 senators who approved the recent resolution against Panama show their interest in not having the canal turned over to Panama in the year 2000. Proof of this is the U.S. Law 96-70, which violated the Torrijos-Carter treaties.

What authority does the Senate have to intervene in our country's internal affairs? Is it that the U.S. people do not have problems, that Panama is more important than avoiding a war in Central America, and that it wants Panama to contribute its share of dead to this conflict?

Why do the 84 senators want to see our fellow countrymen dead in a war that has no reason to exist?

Why are they interested in investigating our problems when they have not yet been able to solve the murder of their presidents; of Senator KENNEDY; of MARTIN LUTHER KING, a great defender of human rights; the WATERGATE scandal; and the IRAN-CONTRA DISASTER? What about the country that deals and consumes the greatest amount of drugs in the world?

We are proud of being Panamanians, because it is the only country in the world that after such a political crisis has not had a single person killed, and there presently are no political prisoners in our jails, nor Panamanians in exile.

This proves the high professional ability and the great PEACE vocation of the PANAMANIAN DEFENSE FORCES, led by General MANUEL ANTONIO NORIEGA, great defender of HUMAN RIGHTS." [quotation marks as published]

We respectfully request, Mr Ambassador, that you transmit the contents of this telegram to the senators of your country, where we do not wish to involve millions of honest, good-willed men and women of that great people whom we have always admired.

Alfredo Macharaviaya, national vice president, PRD [Democratic Revolutionary Party]
Honorable Legislator Otilio Miranda, Labor Party, Chiriqui Province
Ramon Sieiro M., Secretary general, PALA [Agrarian Labor Party]
Honorable Legislator Camilo Gozaine, PRD, Chiriqui Province

OPPOSITION LEADERS COMMENT ON CRISIS, 'MISGOVERNMENT'

PA021750 Panama City LA PRENSA in Spanish 2 Jul 87 p 11-A

[Text] Dr Carlos Ivan Zuniga, president of the Popular Action Party (PAPO), has maintained that the only solution left for the Panamanian people in this critical moment of misgovernment is a democratic, popular, and peaceful mobilization. He pointed to the need to understand that this struggle can only be carried out by the people if they handle it prudently, pay no attention to paramilitary and military elements in civilian clothes who have been causing property damage, and show that the government is in fact the sector that has been unleashing violence in the past few days in Panama.

As for the official mobilization carried out on Tuesday to protest U.S. meddling in our internal affairs, Zuniga believes that the government does not have the moral authority -- as his group does -- to describe the U.S. Senate resolution as "interventionist."

In his opinion, that Senate resolution is in line with the policy of other U.S. entities, such as the State Department and the Pentagon, which have always been interventionist in favor of the Panamanian military government.

He pointed out: "We have opposed a source of much intervention -- the Torrijos-Carter treaties -- which has placed us under the umbrella of the Pentagon; the people who are complaining today about this resolution are the same ones who created the conditions allowing interventionist aspects of the Torrijos-Carter treaties to take force in this country."

The opposition political leader maintains that as a Panamanian and a patriot, he opposes any form of foreign intervention in Panama, because Panamanians must resolve problems that concern Panamanians. However, he insists that those who have benefited from 18 years of intervention in their favor have no moral authority to that aspect of the Senate resolution, which, in his opinion, is quite interventionist.

Zuniga pointed out: "Basically, I wish to stress the need for the United States to abstain from lending a hand to favor the military government." He predicted that this is the only way to propitiate the forces wishing to eliminate the government.

Meanwhile, Dr Julio Harris, president of the Authentic Liberal Party, urged the citizens to maintain calm, hold the banner requiring citizens to struggle for civility very high, and seek peaceful means to reestabish democracy in the country, allowing us to work as a single nation for the sake of the Republic of Panama.

In commenting on the best position that the citizens should assume, Harris said: "I think that the Panamanian people know what they want and they will make a decision accordingly."

He maintained that the charges leveled by Colonel Roberto Diaz Herrera, retired, and the electoral fraud must be clarified if we wish to have the democratic country we struggled for in the most recent election, and to install in the presidency of the Republic the person who really won the elections. "That would bring immediate tranquillity to the country," Harris said.

Although Harris said that he cannot reveal details regarding a meeting held by the democratic opposition, he said that the struggle strategy does not need to be expounded on because it has already been designed. "The people know what they must do at this moment, and we will serve as guides to ensure that the wishes of the people are fulfilled," Harris pointed out.

Questioned about the current situation, Alfredo Ramirez, president of MOLIRENA [Nationalist Liberal Republican Movement], said that the parties have met again in an attempt to achieve unity among all Panamanians -- including political organizations of the democratic opposition, National Civilianization Crusade, labor unions, civic clubs, and associations -- to oust the military hierarchy, which is preventing political forces in the country from reaching needed agreements that the Panamanian people want.

Last night, MOLIRENA issued a communique stating that in view of the profound political, moral, social, and institutional crisis being experienced by the country, we report to all fellow party members and sympathizers our firm determination to support the aspirations of the National Civilianization Crusade and the Panamanian Episcopal Conference to achieve a genuine democratization and to bring order to the country.

Thus, MOLIRENA stated, we call on all MOLIRENA members and sympathizers to participate patriotically and actively in all activities of the struggle promoted and organized by the National Civilianization Crusade.

OPPOSITION PARTIES' STATEMENT TO AREA GOVERNMENTS

PA071817 Panama City LA PRENSA in Spanish 7 Jul 87 p 2a

[Statement addressed to "the democratic governments and peoples of Latin America" issued by the Panamanian opposition parties on 3 July 1987 in Panama City]

[Text] In view of the dramatic and decisive moments that the Panamanian people, victims of almost 20 years of military government, are experiencing; the solidarity with the democratic peoples of Latin America who have gone through similar experiences; and the inevitable consequences that the Panamanian crisis will bring not only to the national but to the international community; the presidents of the Authentic Panamenist Party, the Christian Democratic Party, the Nationalist Liberal Republican Movement (MOLIRENA), the Authentic Liberal Party, and the Peoples Action Party have deemed it opportune to address the democratic governments of Latin America and their peoples to keep them informed about the long and unequal struggle that the Panamanian people have been waging to give themselves a truly democratic government.

In view of the distortion of the Panamanian situation abroad, to better understand our situation, certain facts, which have been denied to the world's public -- a victim of the well-orchestrated and persistent propaganda campaign promoted by foreign forces -- need to be disclosed. These facts we are referring to are the following:

1. Under the facade of a nationalist, anticolonialist, and populist government, the government hid from the international public the fact that it is truly submissive, antinational and generously protected and pampered by the same foreign forces that obtained basically everything they wanted from it.

2. Just like any other military government, the military government that the Panamanian people have had since 1968 can be no different than others suffered by other Latin American peoples: undemocratic, repressive, corrupt, and inept.

3. As a result of the undemocratic nature of the military government we have, the Panamanian people for many years were denied -- because of a "revolutionary process" that has produced many millionaries -- their right to become organized in political parties and directly elect their legislators. In 1984, when they were finally granted the right to directly choose their president and vice presidents, the military government disregarded the Panamanian people's will and the military arrogance wound up prevailing over the people's wish.

4. As a result of the repressive nature of any military government, the Panamanian Government has used every method of persecution and abuses not only against the Panamanian people and their political leaders, but also against its own allies. As is internationally known, the military government has overthrown three of the five presidents it has imposed on the country in the past 5 years and the military officers no longer escape the regime of insecurity they, themselves, have created.

5. As a result of the corrupt nature -- also characteristic of military governments -- of the Panamanian Government, its corruption has become internationally known. It is obvious that the charges of murder, drug trafficking, fraud, and corruption against the military regime and the National Guard commander harm our dignity and create a situation we must no longer endure.

6. As a result of the proverbial incompetence of the military governments, the Panamanian Government, like other military governments suffered by other Latin American peoples, also maintains the country in the worst ever economic, social, and fiscal crisis, with the highest per capita debt in Latin America and with the most explosive levels of unemployment and poverty that we have ever experienced.

7. As another result of the incompetence of military governments, the Panamanian Government has deficiently and irresponsibly managed not only the ordinary public assets and services but also the public assets and services that the country has received as a result of the canal treaties. Thus, it has become a serious threat to the maintenance and efficient operation of the assets and services that the country should receive in the future.

The facts that we have briefly listed outline the painful reality which could only have led the country to its current grave situation and to the people's decision to achieve a truly democratic government free of the irresponsible military messianisms that have caused so much harm and dishonor to the Latin American peoples.

The Panamanian democratic forces take this opportunity to reject the concept -- which is characteristic of strongman governments -- that any personal charge against the leaders is a charge against the armed forces they head or the country they unfortunately govern. Just as Perez was not Venezuela nor Videl was Argentina, Noriega is definitely not Panama. The Panamanian democratic forces state that the capitulating military government has no moral or political authority to claim the right to speak to the world on behalf of the Panamanian people. Just as we have expressed solidarity with the democratic causes of other Latin American peoples, we expect expressions of international solidarity with our current aspirations of democrcy.

Finally, we are sure that the painful experience that you and your noble peoples suffered under the rule of equally military and irresponsible governments will help you understand the justice of the Panamanian cause and the justification for this letter. We are also absolutely sure that Panamanian people, just like the peoples you represent did at their own time, will soon join through their own efforts the community of free peoples of America.

For the prompt incorporation of Panama into Latin American democracy and with our best wishes for your peoples and democratic governments, sincerely yours,

Dr Arnulfo Arias Madrid, Authentic Panamenist Party; Alfredo Ramirez, MOLIRENA; Dr Ricardo Arias Calderon, Christian Democratic Party; Dr Arnulfo Escalona Rios, Authentic Liberal Party; and Dr Carlos Ivan Zuniga, Peoples Action Party.

Panama, 3 July 1987

ARIAS CALDERON TESTIFIES, RESPONDS TO CHARGES

PA072136 Panama City ACAN in Spanish 1918 GMT 7 Jul 87

[Excerpt] Panama City, 7 Jul (ACAN-EFE) -- Ricardo Arias Calderon, the president of the opposition Christian Democratic Party [PDC], today appeared before court and answered charges by the Legislative Assembly that he had plotted to oust the current administration.

Arias Calderon, who received a summons yesterday to appear today before the First Superior Court of Panama City, was accompanied by his lawyers, Ruben Arosemena Guardia and Ramon Lima.

The Legislative Assembly accused Arias Calderon in mid-June of "crimes committed against the internal security of the state," along with another nine Panamanians -- including lawyers, businessmen, and former government officials -- who, according to the Legislative Assembly, were members of the so-called Local Democratic Movement (MODELO).

After testifying before attorney Ana Belfon, the PDC leader told the press that he is surprised that the attorney general's office is questioning him on the charges that the Assembly has raised of "treason" and "sedition," which he described as "fourth-class gossip."

Arias Calderon told the press that "I thought the authorities would ask me about last week's attempt against me, from which I escaped unharmed; or the attacks against two private business establishments by armed individuals; or the attacks against PDC headquarters."

Arias Calderon added that he was also not questioned about the attack against the U.S. Embassy in this city, which, he said, "has been proven to have been carried out by paramilitary groups armed by the Defense Forces." [passage omitted]

ARIAS CALDERON REJECTS DELVALLE DIALOGUE BID

PA070055 Panama City ACAN in Spanish 2338 GMT 6 Jul 87

[Text] Panama City, 6 Jul (ACAN-EFE) -- The Panamanian political opposition has rejected the call to dialogue issued by President Eric Arturo Delvalle, who is still a ruler "who depends on the Armed Forces."

Ricardo Arias Calderon, president of the opposition Christian Democratic Party, told ACAN-EFE that the president's message, broadcast last night over a radio and television network "is empty" and does not propose "actions leading to effective changes that satisfy the people."

The Christian Democratic Party is part of the Democratic Opposition Alliance formed during the 1984 elections. It is also part of the Civilianization Crusade that asks for the investigation of military officers accused of corruption, and of the Political Opposition Commission formed this month by five parties to "seek alternatives to this government."

Arias Calderon said that no meeting has been scheduled between the opposition and the government, and that apart from the presidential message, no formal invitation for the meeting has been received.

In his speech, Delvalle asked the different political and social sectors of the country to start "talks" to a reach a compromise of "national conciliation" in order to end the current crisis.

The president also ordered an investigation to be launched to determine whether there is any truth to the charges of corruption, abuse of power, electoral fraud, and drug trafficking that have been levelled against General Manuel Antonio Noriega, commander of the Defense Forces.

Arias Calderon said that the ordering of this investigation is a "mockery of the people's demand for justice," because the judicial branch has no credibility.

He said, "the people will be satisfied only if General Noriega is separated from his post while the accusations against him are being investigated."

He also said that Noriega's dismissal and the replacement of the current "unconstitutional" government are the only topics that the opposition could discuss with the current administration.

Arias said: "We do not believe in the president's abstract words." He called Delvalle "unconstitutional" and "dependent" on the military.

Meanwhile, the National Democratic Union (UNADE), composed of the four government parties, has issued a communique in which it claims to support the "truce" proposed by the president to prevent more serious situations, like those being experienced by other Central American countries.

The Democratic Revolutionary Party, the biggest in UNADE, maintains an "anticolonialist" position and rejects violence "as a means to iron out our differences."

Since 6 June, the day when Colonel Roberto Diaz Herrera, retired, started making several accusations against the Defense Forces commanders, there have been people's demonstrations against the government and the military leadership, which on several occasions have resulted in clashes with the police.

CIVILIANIZATION CRUSADE REJECTS 'COSMETIC' DIALOGUE

PA071550 Panama City EL SIGLO in Spanish 7 Jul 87 pp 17, 22

[Communique issued by the National Civilianization Crusade on 7 July -- place not given]

[Text] The Civilianization Crusade, in view of the acts of violence staged last night, 6 July, and in view of the various statements made by government parties, stating their willingness to enter into dialogue with various sectors of national society, communicates the following to the citizens:

1. The Civilianization Crusade at this time is the organization that represents the true interests of citizens because it is comprised of 103 civic, business, teacher, worker, professional, and student organizations.

2. The aims of the Civilianization Crusade were clearly set forth in its first communique. They were the product of a consensus of all the organizations that comprise it. We hereby repeat these aims:

A. To rescue the institutions that guarantee justice [preceding word underscored] and genuine democracy [preceding word underscored] in our country.

B. To request an investigation by an independent commission into the developments reported during the confessions made by Colonel Roberto Díaz Herrera, retired.

C. To demand the immediate removal from office of all officials, both military and civilian, who have been accused of or linked to those developments, until these matters are clarified and the accusations formalized.

3. The moral principles of justice and democracy, which are the basis for the above aims, cannot be negotiated because these transcend political interests, party lines, and individual or economic interests.

4. Twenty-seven days of peaceful demonstrations by the citizens, who have been repressed by violent actions staged by the Defense Forces and government paramilitary groups, violating human rights and attacking private property, show that this state terrorism detracts moral authority from official sectors to negotiate with any group.

5. In the past, negotiations between organizations that are members of the Civilianization Crusade and representatives of the public sector have been fruitless, because the government has failed to abide by the agreements concluded with the various groups. This proves that the government lacks responsibility, credibility, and representativeness regarding the solution of the nation's true problems.

6. In view of all of the above, the Civilianization Crusade advises the Panamanian people of its firm determination to maintain its initial objectives, and until such evidence is obtained through the specific actions outlined to fulfill the same objectives, it abstains from participating in any type of negotiation that will lead to "cosmetic" solutions without solving the fundamental aspects of the problem.

ARMED MEN FIRE UPON INDEPENDENT RADIO MUNDIAL

PA080327 Buenos Aires REUTER in Spanish 0243 GMT 8 Jul 87

[Excerpts] Panama City, 7 Jul (REUTER) -- Individuals armed with pistols today fired on an independent radio station in downtown Panama City, while followers of the government dominated by the military went out to the streets to try to counter the growing opposition movement.

Radio Mundial, closed by the Government Ministry last week, was attacked by the members of a caravan of government followers who began to roam the streets this afternoon.

Witnesses identified the leader of those who attacked the radio station as Luis Gaspar Suarez, president of a small political party known as the Panamenist Party and former partner of General Manuel Antonio Noriega, military chief and de facto ruler in Panama.

Suarez, who owns a radio station [Radio Uno Soberana] that the government closed yesterday for inciting the government parties to violence, also heads a paramilitary group called the "Black Berets."

Carlos Ivan Zuniga, Jr., who owns Radio Mundial, told REUTER that he stood in front of the radio station mocking the caravan when Suarez and seven other men suddenly showed up at the scene.

Zuniga said that Suarez, who carried a sawed-off 12-gauge shotgun, shouted an obscenity at him and threatened to kill him. Meanwhile, the men behind him drew pistols and started firing on the radio station.

Witnesses said that these men fired at random against antigovernment demonstrators at a nearby corner and then fled in two cars. Nobody was injured. [passage omitted]

It has also been reported that two opposition legislators were summoned to the general attorney's office to account for remarks against the government that they made via Radio Mundial this month. The legislators said they would invoke their immunity [as received] to refuse to testify.

GOVERNMENT STATION COMMENTARY ON OVERCOMING CRISIS

PA080537 Panama City Domestic Service in Spanish 0432 GMT 8 Jul 87

[Unattributed commentary: "Setting the Course"]

[Text] In keeping with the call recently made by the president of the Republic to create an atmosphere of harmony that will allow us to definitely overcome the current national situation, UNADE [National Democratic Union] parties canceled a caravan of vehicles that had been scheduled for yesterday afternoon. The official political parties contributed with what, in their opinion and in the opinion of the president of the Republic, is indispensable at this time: sanity, reflection, generosity, and forgetting of personalities, in order to give way to the constructive dialogue that the Panamanian people demand.

It is too bad that the opposition forces have not understood it that way. In their effort to cause a breakdown of constitutional order -- it does not matter to them if it brings chaos -- they have continued with their provocation campaign, lending deaf ears to the president's recommendation to give up sectarian attitudes that, as has been demonstrated, lead nowhere but to a confrontation with unforeseeable consequences.

It is obvious that if those who oppose the process insist on their destabilization campaign, show through the strident banging on teflon pots and honking horns of luxury automobiles, the great majority of Panamanians is going to feel free to express in the way best it can imagine its unrestrained support for the national government. This polarization is precisely what the president wants to avoid, because it could lead us to actions we would never cease to deplore.

Peace is a difficult enterprise; it is much more difficult than violence because it demands reflection, maturity, and integrity to make it possible. Violence only needs thoughtlessness and blindness to unleash itself. The current situation demands from Panamanians the need to face with courage the challenge of the country's future. We cannot allow circumstantial events to lead the country toward insoluble dilemmas. The fatherland belongs to all, and we all have the duty to preserve it over and above our personal differences. In moments such as these it is necessary to meditate upon the precious legacy that our parents received from our grandparents, and that we have to bequeath to our children.

It was not a legacy of intolerance or bigotry; it was one of respect for other's ideas, the capacity to distinguish between what is reasonable and what is absurd, and a great generosity. These are the virtues that we Panamanians must now practice in order to weather the present situation. They alone will allow -- once the trial has been overcome -- for reconciliation to take place with no more damage than those derived from normal fights between brothers. Panama expects this from us.

STATION COMMENTS ON REJECTION OF DIALOGUE

PA080437 Panama City Panavision Television in Spanish 0350 GMT 8 Jul 87

[Station commentary]

[Text] It is not strange that spokesmen for the Authentic Panamenist and Christian Democratic Parties have competed to see who would first reject the call for dialogue recently made by President Eric Arturo Delvalle, a call that is an essential requirement to reach the peace the Panamanian people are demanding.

While through Archbishop Marcos Gregorio McGrath the Catholic Church has stated that the presidential exhortation is positive, the political parties in question are determined to maintain the criteria of the so-called Civilianization Crusade, the intentions of which are none other than the disruption of the existing constitutional order.

The president's statements, as Msgr McGrath pointed out, adequately interpret the national episcopate's position regarding the current situation. This should be considered by those who claim to defend democratic interests, because the president's call stresses the need for a dialogue to preserve the nation's integrity. However, as I said, it is not strange that the Authentic Panamenist Party, a political concept that has long since been historically surpassed; and the Christian Democratic Party, a political hybrid whose best card has been and still is opportunism, seek excuses to evade sincerely working for peace among Panamanians.

The members of the National Civilianization want nothing other than the total dismantling of our institutions, ignoring or trying to ignore the fact that the legitimacy of the national government emerged from the people's will and owes itself to this will. On behalf of the people's will, the government must defend the continuity and permanence of the current de jure state.

The president stated that the most valid way to ensure this institutional permanence, without paying dramatic social and human costs, is dialogue. Therefore, it is to be expected that just as the large majorities desire, the defiant opposition sectors should seek reasons to attain peace instead of seeking reasons to promote violence.

LARGE CROWDS ATTEND PERON'S MEMORIAL MASS

PY071608 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2301 GMT 6 Jul 87

[Excerpts] Buenos Aires, 6 Jul (NA) -- More than 60,000 people today peacefully paid their respects to the memory of President Juan Domingo Peron at a mass attended by all factions of the Justicialist Party and by representatives of practically the entire Argentine political spectrum, including acting UCR [Radical Civic Union] President Edison Otero and the head of the powerful Metropolitan Coordinating Board, Enrique Nosiglia.

The only leaders to actively participate in the religious service were Labor Minister Carlos Alderete and CGT [General Labor Confederation] Secretary General Saul Ubaldini, who read passages from the Scripture. [passage omitted]

The ceremony, which took place in an atmosphere of respect, was attended by Peronist Senator Vicente Saadi and Renewal Peronist Deputies Roberto Garcia and Roberto Rigon. As taps was played, the crowd observed a moment of silence.

At the inspection of 9 de Julio and Belgrano Avenues, an altar with a cross and a picture of General Peron was erected. There, the people gathered to peacefully express their repudiation of the desecration of Peron's tomb.

After reading a passage from the Old Testament, Saul Ubaldini called on "all Argentine people to become Peron's hands." Thereupon, thousands of hands making the victory sign were raised, while the people sang the Peronist March. The CGT leader recalled "all the men and women who on 17 October 1945 rescued Peron from the hands of the oligarchy, all the heroes and martyrs of the Peronist resistance, and all the nation's youths who are with us today."

Next, Labor Minister Carlos Alderete recited a passage of the New Testament, in which Saint Paul warns against "following strange ideologies." [passage omitted]

EX-MILITARY CHIEF CHARGES MARXIST INFILTRATION

PY071614 Buenos Aires DYN in Spanish 0009 GMT 7 Jul 87

[Text] Buenos Aires, 6 Jul (DYN) -- General Julio Alsogaray, retired, the former Army commander, today said that "government organizations" and radio and television are plagued with "subversive infiltrators." He also charged that the government favors "Far Eastern ideologies" and leaves the Armed Forces "completely defenseless."

Speaking at the retired Armed Forces officers camaraderie dinner, Alsogaray said that this situation "encourages the reappearance of subversives" and that if this occurs, "once again, the Armed Forces will take an active part" in repressing subversion.

In an unusually harsh speech he delivered to an audience that included former Presidents Juan Ongania and Roberto Levingston, Alsogaray attacked "those who blatantly denounce the crimes committed against the human rights of the communist guerrillas." According to Alsogaray, "the Army's history and the historical events that led to the establishment of the Navy and Air Force are part of our nation's history."

The retired military leader said "the fatherland and the Armed Forces are interrelated to such an extent that to denigrate, underestimate, or destroy one is to do the same to the other." Alsogaray added: "I must refer to the military's specific function: war. The fulfillment of this function has allowed us to enjoy peace, which was reflected by the development of the country" in the first decades of the 20th century.

Alsogaray said that war "is cruel in itself" and that this cruelty "is expressed through the death of innocent victims and the inhuman sacrifices soldiers have to make." According to Alsogaray, "our Armed Forces were compelled to participate in two recent wars," the Malvinas War, "during which they showed their patriotism and heroism," and the war against "Marxist-Leninist penetration," which was carried out jointly "with the security and police forces."

The retired officer praised "the loyal behavior of the vast majority of Argentine people who did not support subversion at any time. Thanks to them, we were able to achieve a complete military victory through the annihiliation of subversives." He added that this last deed was the Armed Forces' "inherent mission, which was ratified by the two decrees issued by the constitutional government." Alsogaray admitted that "in any human activity it is possible to commit mistakes" because "the laws in force in times of war are not the same as those prevailing in times of peace."

According to Alsogaray, "traditionally, at the end of every war, the victorious soldiers march in a victory parade, but in the case of the war against subversion, this victory parade was replaced by court proceedings and prison sentences for the victorious soldiers." He added that this situation "is troubling the Armed Forces cadres." He said that this state of mind may be overcome -- at least regarding the military aspect, although not the Marxist penetration -- when all the victorious soldiers recover their freedom, which is something they should never have lost."

Alsogaray said that "Marxism-Leninism acted alone and through its comrades, the Social Democratic Party and leftist parties and organizations, and through the attitude of those who joined the blatant denouncers of alleged crimes committed against the human rights of communist guerrillas." He added that "even if the human rights of a dangerous minority, which was internationally structured, were indeed violated, the human rights of a vast majority were safeguarded." He said that "theoretically, the violation of human rights in Nagasaki and Hiroshima saved the human rights of the Western world."

According to Alsogaray, the military trials, which he attributed to a "dangerous inclination toward Far Eastern ideologies," and the "the infiltration of subversives" in the mass media and the education sectors are evidence that there is a "Marxist penetration." He charged that these organizations "encourage the reappearance of subversives."

Alsogaray said: "If this comes to pass, I am certain that, once again and without hesitation, the Armed Forces will give their patriotic support to Argentine citizens in consolidating our independence so today and in the future, we can continue to commemorate the deed of 9 July 1816" [the date of Argentina's declaration of independence].

PROTESTING PEASANTS SURROUND DEA CAMP FOR 2D DAY

PY022317 Madrid EFE in Spanish 2238 GMT 2 Jul 87

[Text] La Paz, 2 Jul (EFE) -- It has been reported in La Paz that hundreds of Bolivian peasants today maintained for the 2d consecutive day a siege [cerco] on 25 DEA agents, demanding their expulsion because of alleged "outrages."

Abdon Aguilar, the executive secretary of the Special Settlers Federation of Chimore, a town on the road linking Cochabamba with Yapacani, today reported that the siege on the DEA agents started yesterday following demonstrations by the Chimore inhabitants to protest against the U.S. officials. According to Aguilar, the peasants protested against "the abuses, outrages, and arrogance" of the U.S. officials in the Chimore region, which is located just 10 km from Shinahota, one of the main drug trafficking centers.

Aguilar reported that the peasants surrounded the DEA camp, which was built by U.S. personnel and includes prefab housing, sophisticated equipment, and many comforts. Aguilar said that the DEA camp is one of the five camps to be built in the region.

Aguilar pointed out that the peasants "fear that the U.S. officials will destroy their coca plantations and are fed up with the outrages that they are enduring." Aguilar stated that if the DEA agents leave the area the peasants will peacefully return to their houses.

Police authorities have stated that they are assessing the Chimore events. They refused, however, to make any statements "for the time being."

DEA Agents Leave Chapare

PY041425 La Paz La Red Panamericana in Spanish 1130 GMT 4 Jul 87

[Text] For security reasons, DEA agents yesterday left the area where antidrug operations are being carried out in Cochabamba. This was reported by Bolivian Police Inspector General Edmundo Gutierrez, who went to Chapare to obtain first-hand information about charges by local peasants and settlers that DEA agents are committing many abuses against them.

General Edmundo Gutierrez regretted that these incidents have been magnified. He explained what really happened in Cochabamba:

[Begin Gutierrez recording] The media have reported that peasants had surrounded UMOPAR [Mobile Units for Rural Areas] units, but this is false. What happened is that they held demonstrations and requested the Chimore commander to mediate so that DEA agents would leave the region within 48 hours. This deadline expired yesterday at 1800. [end recording]

Gutierrez released reports that had been issued by UMOPAR authorities. He added that DEA agents had not participated in any operations, but they had been inadvertantly involved in an encounter with drug traffickers.

[Begin recording, in progress]...no. What happened was that occupants of a station wagon who saw a UMOPAR vehicle jumped from the station wagon and hid. Because of this, the occupants of the UMOPAR jeep, among whom were DEA agents, were forced to investigate. But this was not an operation as such. [end recording]

Gutierrez explained that, as a result of this incident, peasants held a demonstration and ultimately were able to achieve their objective of expelling DEA agents from Chimore. General Gutierrez said that he had learned that honest peasants and settlers approved of the presence of UMOPAR units in the area and that fortunately everything has been normalized. [passage omitted]

According to General Escobar, the Bolivian police commander, antidrug troops will not leave the area because of the recent incidents in Chapare. Escobar added that, according to reports submitted to him, it is not necessary to adopt any measures in this regard, since everything has been normalized. He added that the government plans to increase activity against drug traffickers to gradually eliminate this scourge from Bolivia.

Regarding recent incidents in Cochabamba, General Escobar said:

[Begin Escobar recording] Reports supplied by DEA agents state that this situation obviously has not pleased Chapare settlers, particularly those involved in drug trafficking.

The Bolivian police, and UMOPAR in particular, have nothing against the Chapare peasants and settlers. On the contrary, they believe the presence of UMOPAR in the area is a guarantee for local peasants. Only those involved in drug trafficking should fear the presence of UMOPAR. It is precisely these drug traffickers who usually mobilize peasants to safeguard their own selfish interests. [end recording]

Moreover, General Escobar said the situation is completely calm in Cochabamba. He added that with the departure of DEA agents from Cochabamba, there are virtually no more major problems.

[Begin Escobar recording] Well, according to reports I have available, the situation is completely calm in the area. There is no movement in the area. Therefore, UMOPAR has been carrying out its activities in a completely normal manner. [end recording]

MALAYSIAN ECONOMIC MINISTER ARRIVES FOR TALKS

PY062354 La Paz La Red Panamericana in Spanish 1130 GMT 6 Jul 87

[Text] The Malaysian economic mission that arrived in Bolivia last night will begin its activities around 0900 this morning. The Malaysian mission is headed by Primary Industries Minister Lim Keng Yaik. The mission is scheduled to meet Bolivian Foreign Minister Guillermo Bedregal Gutierrez at 0900. The Malaysian minister will then meet Bolivian president D Victor Paz Estenssoro at 1230. In the afternoon there will be working meetings with officials of the Ministries of Planning and Coordination; Mines and Metallurgy; Industry, Commerce and Tourism; and Agriculture, Livestock and Campesino Affairs. Members of the Bolivian Private Businessmen's Confederation will also participate in these meetings.

Even though it has been reported that the Malaysian mission will sign only a binational agreement on a project to process rubber, chestnuts and tin, the mines and metallurgy minister has emphasized the importance of the meetings dealing with his sector. The minister stated that the talks related to the mining sector will deal primarily with the strategy of tin producing countries. Since Malaysia and Bolivia are members of the Association of Tin Producing Countries, the Bolivian plan of cutting back tin exports from other countries will be analyzed. Following suggestions Bolivian made, tin producing countries have reduced their export quotas considerably, and the stocks are being consumed at a satisfactory rate.

Meets with President Paz

PY062357 La Paz La Red Panamericana in Spanish 1700 GMT 6 Jul 87

[Report from Government House by Cristina Corrales]

[Excerpt] At noon today, President Victor Paz met with Malaysian Primary Industries Minister Lim Keng Yaik, with whom he reviewed some projects that were agreed upon in a cooperation accord signed during the Malaysian foreign miniter's visit to Bolivia a month and a half ago. After the meeting, the Malaysian minister commented on his conversation with the president. We have his remarks through an interpreter.

[Begin interpreter recording] [Words indistinct] to visit our president, particularly because of President Paz' long political experience. He added that he has been traveling around the world, visiting countries like China and Brazil, to learn about the situation of the Association of Tin Producing Countries and, particularly, to try to reduce tin exports. He said he will try to reach an agreement with tin exporters to overcome the current situation. As for his visit to Bolivia, it is aimed at promoting bilateral cooperation, particularly in the development of materials like palm oil and [words indistinct]. [end recording] [passage omitted]

SOVIET UNION INTERESTED IN DEVELOPMENT ASSISTANCE

PY071353 La Paz La Red Panamericana in Spanish 1130 GMT 7 Jul 87

[Text] Deputy Oscar Montano said that the Soviet Union intends to cooperate with Bolivia in the implementation of mining, agricultural, and other projects. The Nationalist Revolutionary Movement deputy participated in a congressional mission headed by Chamber of Deputies President Willy Vargas, which visited the Soviet Union recently. Deputy Oscar Montano said that from talks tht were held in Moscow, it can be concluded that the Soviet Union is interested in technical and economic cooperation with Bolivia.

[Begin Montano recording] We had wide-ranging talks, and they have promised all their assistance and support to help Bolivia pull out of its underdevelopment. They again offered to provide technical assistance in mining, agriculture, and other fields that might be exploited so our country can pull out of its underdevelopment. [end recording]

CONGRESS PRESIDENT GARRETT AILLON VISITS PRC

For PRC media coverage of the visit of Julio Garrett Aillon to the People's Republic of China, see the Latin America & Caribbean section of the 1 July China DAILY REPORT and subsequent issues.

RALLY OUTSIDE CONGRESS DEMANDS DIRECT ELECTIONS

PY080108 Brasilia Domestic Service in Portuguese 2200 GMT 7 Jul 87

[Excerpts] Thousands of people today gathered outside Congress to demand direct presidential elections. The demonstration was organized by a group of politicians representing various political parties. [passage omitted]

In addition to direct presidential elections, the demonstrators demanded a progressive constitution and protested the loss of the purchasing power of salaries. Senate President Humberto Lucena allowed the people to demonstrate outside Congress. [passage omitted]

A tight security ring was set up to preserve order during the demonstration. Four hundred unarmed guards were on duty inside Congress, while military and civilian policemen of the Brasilia Federal District were in charge of security outside Congress.

Presidential Spokesman Frota Neto aid that demonstrations such as the one staged today outside Congress are normal in a democratic system. [passage omitted]

Ronaldo Costa Couto, chief of the President's Civil Household, said that President Sarney regarded the demonstration as something normal. [passage omitted]

INCREASED TRADE WITH SOVIET UNION DISCUSSED

PY011700 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 87 p 22

[By Antonio Everton Junior]

[Excerpt] The possibility of increasing trade between Brazil and the Soviet Union was one of the issues discussed during the seminar "The prospects for commercial and industrial cooperation between Brazil and the Soviet Union," which was held at the Gloria Hotel in Rio de Janeiro.

The Soviet Union is the fifth largest trader in the world, coming after the United States, the FRG, Japan, and France. In 1985, its trade volume amounted to $169.702 billion, of which exports totaled $87.201 billion and imports $82.578 billion. Most of the Soviet trade that year was with the East European countries (Bulgaria, Czechoslovakia, the GDR, Hungary, Poland, and Romania), representing 47 percent of the total volume of sales and purchases and reflecting the importance of Soviet trade with the Eastern bloc countries. The FRG, Italy, France, Japan, Yugoslavia, Cuba, and Finland engage in a considerable amount of trade with the Soviet Union. In trade with the United States, the Soviet Union imports more than it exports, having a dependency on some products.

Looking at trade between the Soviet Union and the United States for 3 different years, we find the following figures: 1975 -- $190 million in exports to the United States, $2.027 billion in imports; 1980 -- $223 million in exports, $2.083 billion in imports; 1985 -- $392 million in exports and $2.840 billion in imports. For the last 16 years, Soviet trade with Brazil has been quite favorable for Brazilian exports. Our trade balance with the Soviet Union always shows a surplus; the greatest surplus being in 1981 ($603 million) and 1983 ($505 million).

If we look at the Brazilian exports of basic products to the Soviet Union in 1985, we find the largest sales among: cocoa beans ($104 million); demerara sugar ($31 million) and soy bean flour ($16 million).

Regarding industrialized products which are divided into semimanufactured ($174 million) and manufactured ($122 million), we exported the following products: refined cocoa paste ($93 million); unrefined soy bean oil ($58 million); refined soy bean oil ($39 million) and instant coffee ($38 million). The private sector, which has been trying to diversify its traditional market, made substantial profits on the sale of sugar and cocoa according to the following list: Cargil Cacau Limited ($32 million); Sugar and Alcohol Institute, IAA ($31 million); Barreto Araujo Cacau Products Inc. ($31 million); Brazilian Export Company ($30 million) and Joanes Industries Chemical and Vegetable Products Inc. ($22 million).

Crude oil purchases are the most significant item on the list of basic products we import from the USSR (imported Soviet basic products account for $49 million). In fact, in 1985, crude oil purchases accounted for over 77 percent of Brazilian imports from that country. In the area of semi-processed products, which account for 17 percent of Brazilian imports from the USSR, potassium chloride imports have reached $11 million. The area of manufactured products, which accounts for 5 percent of Brazilian imports from the USSR, includes urea ($1 million), and boilers, machinery, mechanical devices and equipment ($1 million). Additional Brazilian purchases on the Soviet market total $1 million.

Among the Brazilian enterprises which purchased the largest quantity of Soviet goods are petrobras ($49 million), Fertisul S.A. ($2 million), and Adubos Trevo S.A. ($1 million).

In addition to crude oil, the main imported items in 1985 were: potassium chloride ($11 million), ships that have been labeled unfit for sailing ($569,000), bicycle and motorcycle gears ($349,000), and ball bearings ($265,000).

Considering these facts, the trade exchange between the two countries is still very small because of the small variety of exchanged products. Exchange between the two countries could be increased by offering larger amounts of goods or by encouraging the production of new goods. This will favor consumption and employment, as well as generate foreign currency to improve further exchange.

It seems that according to the political and economic changes implemented by Mikhail Gorbachev, the USSR is willing to open its market, remodel its factory system, import and export technology, increase production, and expand trade relations with developing countries. The USSR is willing to do this within the framework of a strategy aimed at consuming and exporting countries with commerce and trade balance problems. Of course further studies should be undertaken to identify the needs and characteristics of the Soviet market to introduce new consumer habits in Soviet society. Also, given its natural and social characteristics, the USSR will be able to contribute a range of products that will adapt well to Brazilian needs. The seminar was an important step that favors trade between the two countries.

Taking into consideration the content of this article, it should be announced that from 19 to 23 October 1987, the Coordinating Group for Trade with the Socialist Countries of Eastern Europe, COLESTE, of the Brazilian Foreign Ministry, under the administration of EPI Advisory and Planning Limited, is organizing Expo-Brazil-Moscow 87. This exhibition will be the third one presented in Moscow. The previous exhibitions in 1985 and 1986 were attended by many people and the business promotions were considered good. Regarding the participation of national enterprises in the October exhibition, all the enterprises that particiapted in the previous exhibitions expressed their desire to participate again, in view of the possibility of gaining business, because our products have very competitive prices and are considered adequate for the Soviet market. The third edition of Expo-Brazil-Moscow 87 will represent a continuation of previous efforts and will be aimed at consolidating, increasing, and expanding the sale of Brazilian products in the USSR, making Brazil better known and recognized, and making the Brazilian Exhibition a traditional event. Knowing the demands of the Soviet market for certain types of products the following priorities are recommended for this exhibition: machinery and equipment; new technology for processing and packaging food; shoes; textiles; new technology for measuring devises; control and conversation of energy, electronics, industrial automation; and construction material. Conditions for payment and participation and further information can be obtained from EPI Advisory and Planning, Limited, or from the Foreign Ministry. [passage omitted]

BRIEFS

NUCLEAR POWER PLANT COSTS -- Nuclebras President Licinio Seabra has asserted that three nuclear power plants could be built with the money spent thus far on the Angra II and Angra III power plants. The interest on the two power plants now totals $4.5 billion; that is, 128 percent of the estimated cost of building both power plants, budgeted at $3.4 billion. [Text] [Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 4 Jul 87 PY]

CHILDREN WITH AIDS -- The Sao Paulo School of Medicine has reported that 18 children, 8 years old or younger, have been registered as suffering from AIDS. Six of them have already died. Sixteen of them were infected by blood transfusions, four are hemophiliacs, and two contracted the diseases from their mothers during their pregnancies. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 3 Jul 87 PY]

RECORD CAR EXPORT FIGURES -- The National Association of Motor Vehicles Manufacturers has reported that 36,730 cars were sold to foreign countries in June. This represents a 19-percent sales increase over the total for May. The association also reported that car production increased by 2.3 percent in June, despite the decrease in domestic demand. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Jul 87 PY]

MALARIA INCREASE -- Rio de Janeiro, 5 Jul (EFE) -- According to Dr Roberto Medrenho, 500,000 malaria cases were diagnosed in Brazil in 1986, of which 2,500 were fatal. These figures show that, second only to Africa, Brazil has the highest number of malaria cases in the world. Dr Medrenho, who is head of the Epidemiology Service of Rio de Janerio's Hospital dos Servidores, emphasized that the number of malaria cases in Brazil increased from 50,000 to 500,000 during the period 1970-1986. [Summary] [Madrid EFE in Spanish 1509 GMT 5 Jul 87 PY]

TEXT OF DECREE DESIGNATING NEW MINISTERS

PY080056 Santiago Domestic Service in Spanish 2234 GMT 7 Jul 87

[Decree signed by President Augusto Pinochet and Interior Minister Ricardo Garcia Rodriguez in Santiago on 7 July 1987; read by Interior Ministry Under Secretary Alberto Herrera during a cabinet installation ceremony at La Moneda Palace in Santiago -- live]

[Text] Acceptance of resignation submitted by ministers and designation of new ministers.

Supreme decree No 877: Santiago, 7 July 1987,

Considering the terms of paragraph 9 of Article 32 of the Constitution, I hereby decree:

Article I: the resignation submitted by the following ministers are hereby accepted as of 7 July 1987:

Ricardo Garcia Rodriguez	Interior Ministry
Jaime del Valle Allende	Foreign Affairs Ministry
Juan Carlos Delano Ortuzar	Economy, Development, and Reconstruction Ministry
Sergio Gaete Rojas	Public Education Ministry
Carabineros Inspector General	
Rene Peri Fagerstrom	National Property Ministry
Air Force General Enrigue	
Escobar Rodriguez	Transportation and Telecommunications Ministry
Francisco Javier Cuadra Lizana	Secretary General of Government

Article 2. The following persons are hereby designated as ministers as of 7 July 1987:

Sergio Fernandez Fernandez	Interior Ministry
Ricardo Garcia Rodriquez	Foreign Affairs Ministry
Army Brigadier Manuel Concha Martinez	Economy, Development, and Reconstruction Ministry
Juan Antonio Guzman Molinare	Public Education Ministry
Carabineros Inspector General	
Jorge Hernan Veloso Bastias	National Property Ministry
Air Force Brigadier General	Transportation and Telecommunications Ministry
Jorge Massa Armijo	
Orlando Poblete Iturrate	Secretary General of Government

It is so ordered.

[Signed] Army General Augusto Pinochet Ugarte, President of Chile; Ricardo Garcia Rodriguez, Interior Minister.

Pinochet Cabinet Ceremony Speech

PY080031 Santiago Domeatic Service in Spanish 2250 GMT 7 Jul 87

[Speech by President Augusto Pinochet Ugarte following the installation of the new Chilean cabinet, at La Moneda Palace in Santiago -- live]

[Excerpts] Messrs Ministers, Generals and Admirals, Messr National Comptroller General, Messr Chairman of the Council of State, Messr Intendant of the Metropolitan Region, Messrs Under Secretaries, ladies and gentlemen.

The implementation of government programs requires timely adjustments of the cabinet in the quest for the urgent fulfillment of the supreme goals of our fatherland, our country, and our society. Thus, outstanding ministers have stepped down and new and outstanding Chileans have taken the oath to commit their efforts and abilities to the defense of the nation's supreme interests. The entire nation, and especially my administration, owe a debt of gratitude to those who stepped down today. I wish to sincerely thank them for what they have done. [passage omitted]

Fellow countrymen:

I would like to take advantage of this opportunity to reiterate that the government's inalienable task is to guide the country along the course set by the Chilean people toward a democracy based on freedom, security, progress, and justice.

Throughout all these years, we have been struggling to preserve our national principles and values, which must be duly protected if we want to keep our historical and cultural identity intact.

The fatherland has demanded a great deal from us. It has demanded not only firm support for permanent values such as respect for the individual and his human rights, but also willingness and ability to defend Chile from the communist threat. This threat is the most serious aggression that any freedom-loving people can experience.

In facing up to this challenge, we have spared no sacrifices and have carried out a sound political, economic, and social program. This work has yielded its fruits, and its results are there for all Chileans to see.

Positive prospects for a fully institutional life lie ahead of us. This institutional structure, which takes into account our historical experience, will provide the foundations for a modern state. Likewise, the daily exercise of the different types of economic and social freedoms has created a situation marked by a promising future, a situation in which the creative capacity of each Chilean has been properly recognized, in which efforts have been rewarded with progress, and in which the spirit of work and service has been promoted, fostering healthy competition.

We can only feel proud and full of hope if we look back on our past. We have faced countless and gigantic obstacles, yet our achievements have also been massive, positive, and encouraging. Any impartial observer must recognize the progress achieved in the various sectors. Most important of all, however, is that Chile is advancing toward prosperity and development.

Our current situation is positive, not only if we compare it with our past, but also if we take into account our prospects for the future. The course along which we are moving forward, with the support of the vast majority of Chileans, is the one that will allow us to meet the legitimate aspirations of our fellow countrymen. This is also the road that will allow the country to properly develop its entire potential, in order to live in true democracy and freedom.

We have met the challenge that the fatherland has posed to us. Now is the time for redoubling our efforts, for properly assessing our present, and for building our future. Our institutional and socioeconomic achievements would be useless if we failed to realize that all we have achieved during these years is undergoing a decisive period. Each Chilean, each patriot faces the challenge of consolidating and developing those achievements.

The challenge that we have to face is the attitude of indifference. The failure to properly assess the true magnitude of this challenge, and the confusion that can be caused to some of our fellow countrymen are negative elements against which we must struggle with all of our power. No one can remain passive in the face of the attempts by certain groups to restore the same collective methods that brought poverty and backwardness upon us. One cannot remain indifferent in the face of the expressed attempt by Communist totalitarianism of resorting to violence and to the class struggle to achieve its revolutionary goals. Each Chilean must take a clear position in the face of demagogical attitudes that reveal the same evils that destroyed our old democracy.

The Armed Forces, police and Carabinero forces have a very clear idea of their objectives and of the meaning of duty. Therefore, our fellow countrymen may rest assured that we will not foresake the historical commitment that we undertook on that glorious 11 September 1973 and that we shall not rest until we carry out fully the mission that we accepted on that occasion.

However, the time has come for all Chileans to lend a hand. The defense of our national identity requires the help of all our fellow countrymen, of the entire Chilean family, because this identity epitomizes the very soul of the nation and is more important than partisan interests.

We have at stake here not a mere political option or a partisan project, but a program rooted in our national identity and drawing its strength from our national values and traditions. The time has come for all of us to show our patriotism and loyalty to Chile. Our enthusiasm grows as we grasp the full extent of our responsibilities, and our desire to attain victory is spurred by its closeness.

Thus, I call upon all my fellow countrymen to reaffirm their commitment to the cause of freedom, to join the efforts that this decisive phase requires, and to face together the challenge of making our truly republican and democratic ideal come true. Gentlemen, we must build our country today to make it possible for Chile to move toward the future. Long live Chile.

U.S. RELATIONS SAID TO BE 'NORMAL' YET 'COMPLEX'

PY070206 Santiago Radio Chilena Network in Spanish 2300 GMT 6 Jul 87

[Text] Foreign Minister Jaime del Valle has declined to comment on the resignations submitted by the members of the cabinet this week, adding that there is no reason the decision should affect him. The minister talked with journalists after meeting with President Augusto Pinochet.

Asked about the statements by U.S. Ambassador Harry Barnes, who said that he can comment on the Chilean situation whenever he feels like it, Del Valle replied: I do my job, and I cannot change an ambassador's personality or mind. That is impossible. He added that the government has already issued a statement reflecting the remarks by Elliot Abrams, U.S. assistant secretary of state for inter-American affairs, and by a State Department spokesman on Chilean domestic affairs. He said that the statement, a copy of which was handed to Barnes himself, is not expected to elicit any reactions, and that the issue will not be given any further consideration.

Del Valle said that relations with the United States are normal, despite the fact that they are complex. He noted, however, that he did not attend the U.S. Independence Day ceremony hosted by the U.S. Embassy because he was annoyed by some recent remarks by State Department spokesmen. The minister pointed out that he cannot comment on the U.S. refusal to grant lawyer (Pablo Rodriquez Gres) a visa, because that is a personal problem with the U.S. Consulate General. The problem has not been reported to the Foreign Ministry. No complaint has been received, not even a demand by (Pablo Rodriguez). Nor do we know the U.S. consul's reasons for making the decision. Therefore, we will have to wait to learn more details, he concluded.

CLODOMIRO ALMEYDA FOUND GUILTY BY COURT

PY030307 Santiago Universidad de Chile Television Network in Spanish 2300 GMT 2 Jul 87

[Text] By a two-to-one vote, the Eighth Chamber of the Appelate Court has found Clodomiro Almeyda guilty of violations of the anti-terrorism law as promoter of terrorism.

[Begin unidentified speaker recording] I contend that the guilty charges should be essentially confirmed. The large dossier on the case, as well as the declarations by the defendant and witnesses, provide grounds to find the defendant guilty of the crime that is specified in Item 13 of Article 1 of the antiterrorist law. Furthermore, I pointed out that a connection can be traced through the policy of insurrection that the defendant advocate, the propaganda for armed struggle that such a policy implies, and the events that have been taking place in the country since 1973. [end recording]

Discusses Opposition Unity

PY071713 Santiago LA TERCERA DE LA HORA in Spanish 29 Jun 87 p 6

[Interview with Clodomiro Almeyda by reporter Ronald Escobar Suarez, from the Capuchinos Penitentiary, in Santiago -- quotation marks as published -- date not given]

[Excerpt] [Passage omitted] [Escobar] You are accused of promoting violence in remarks you made to different communications media.

[Almeyda] "I have never supported violence. What would we gain from it? I have said that we must use the strength stemming from the unity of all Chileans to return to democracy.

[Escobar] Strength. Do you mean strength to maintain violence?

[Almeyda] "No. Strength to unite our aspirations for freedom, work, and potential -- aspirations for democracy.

[Escobar] It has been said that you are the only person capable of uniting the forces of the left with those of the center. Do you believe this? Do you accept the idea? Do you think you are the right person?

[Almeyda] "I am only thinking of uniting the United Left with the Democratic Alliance and all those who want peace and freedom. But no unity will be achieved if personal ambitions prevail. And only when this unity is achieved will the strength capable of correcting the present and guiding the country's destiny emerge. But in addition to personal ambitions, violence must also be discarded. This I can tell you: No one, no political trend, party, or group must use violence.

[Escobar] Do you feel you have been called to lead this unity?

[Almeyda] "I have not even discussed this possibility with the members of my party. I know nothing about it. I am a man who respects discipline within my party. I have never believed that possibility is the result of a personal decision."

[Escobar] Let us suppose that things happen as expected, and you in fact lead such a unity. How would you lead it?

[Almeyda] "In the most dignified manner possible. With respect for all trends and all people.

[Escobar] Have you ever thought along these lines?

[Almeyda] "I have always said that nothing positive will emerge from anything but work and respect, so that we may all have the same possibilities. I want democracy so that all these aspirations may come true, and this depends exclusively on the force that will stem from unity. [passage omitted]

PINOCHET CRITICIZES VICARIATE OF SOLIDARITY

PY031637 Madrid EFE in Spanish 0314 GMT 3 Jul 87

[Text] Santiago, 2 Jul (EFE) -- Chilean President Augusto Pinochet today criticized an organization of the Catholic Church for not expressing concern over the death of five presidential escorts, while doing so over the death of 12 people killed in alleged clashes with security forces.

Pinochet directly named the Vicariate of Solidarity which is an organization of the Santiago archbishopric and which defends human rights.

The Vicariate of Solidarity questioned the government report that the 12 people were killed when they resisted a National Intelligence Center (the regime's political police) arrest order on 15 and 16 June.

The five presidential escorts were killed during the unsuccessful attack against the Chilean president on 7 September 1986 when 11 guards were also wounded.

Speaking in Chillota, located 128 km northwest of Santiago, and in reference to that attack, Pinochet said: "Don't they understand that I am alive only through God's will and this is why I can talk to you today?"

Pinochet recalled that because of the attack "five of my loyal bodyguards were killed. They had homes and families but the Vicariate did not defend them, and other people have said nothing." Pinochet added: "When a criminal dies fighting, some religious sectors say: poor people. However, they do not remember that five guards were killed and 11 were wounded in Cajon de Maipo."

MINISTER SAYS REBEL ACCORDS NOT LEGALLY BINDING

PA022348 Bogota EL SIGLO in Spanish 25 Jun 87 pp 1, 8

[Text] Colombian Minister of Justice Jose Manuel Arias Carrizosa has said that peace has not been achieved in Colombia because the agreements signed between the government and the subversives lack legal ground and that, for this reason, it is impossible to demand the strict fulfillment of those accords.

He said: The truce and cease-fire accords simply reflect political willingness. This is why these accords have turned out to be weak. He added that such accords can only be regarded as a gentlemen's agreement.

Arias Carrizosa encouraged the FARC to maintain the political willingness it had expressed earlier, which led President Betancur's administration to sign those pacts.

The minister admitted there is no peace, and he held the rebel organizations responsible for encouraging confrontation.

He said: "It is impossible to talk about peace and simultaneously carry out armed actions against the Armed Forces and violate the people's basic and elemental rights."

Arias Carrizosa met yesterday morning with the Liberal Party's National Directorate [DLN] not only to greet the board of directors, but to exchange views about the peace process, public order, and the situation of justice as well.

In his appeal to the FARC to cease hostilities and abide by the truce, the minister said that although those accords are not legally binding for the signatories, "they are morally and socially binding and entail responsibility."

The minister said further on leaving the directorate's office: "It is the political intention that binds in these accords." The directorate's members backed President Barco's decision to breach the truce wherever the FARC carries out armed actions against the Armed Forces.

DLN Chairman Ernesto Samper Pizano said that the president's response to subversives is right because this response seeks to establish the de jure state the country has demanded.

Samper denied that the government has let the guerillas manage the accords, and he said this remark, made by former presidential designate Alvaro Gomez Hurtado, "is a novel way to present his proposal to the country."

Speaking about justice and, specifically, about the extradition of Colombian nationals, Arias Carrizosa said extraditions will continue at least while the treaty signed with the United States continues to be in force.

He said: "Extraditions will be executed without reserve."

He admitted that some delay has occurred in the sending of nationals requested by the U.S. authorities because of the various interpretations of the accords.

M-19 PROPOSES ALLIANCE WITH FARC COMMANDERS

PA030156 Paris AFP in Spanish 0029 GMT 3 Jul 87

[Text] Bogota, 2 Jul (AFP) -- The M-19 guerrilla movement has proposed an alliance with the Revolutionary Armed Forces of Colombia (Communist FARC) to face jointly the possible breaking of the truce the FARC signed with the government 3 years ago. The text of a letter in this regard was received today by the various media sources through regular mail. The message, signed by the M-19 General Command headed by Carlos Pizarro Leongomez, was addressed to Manuel Marulanda (alias Tirofijo) and Jacobo Arenas, who head the FARC General Staff.

The letter calls for casting aside mutual disagreements and suggests a meeting in a safe place between the respective general staff members before 28 July to agree on common strategies to continue the struggle. After protesting "the oligarchic intransigence and its policy of extermination," which seeks to prevent the creation of a legal opposition alternative in Colombia, the M-19 stressed:

"We know that if the fine thread that sustains the truce breaks, the regime's forces will try to launch annihilating offensives in vast zones where FARC forces are stationed, just as they did with the M-19 and the EPL [Popular Liberation Army], without even announcing the end of the agreements signed in August 1984."

GOVERNMENT PLANS AREA COMMUNICATIONS SATELLITE

PA070355 Bogota Cadena Radial Super in Spanish 1730 GMT 30 Jun 87

[Report by Gonzalo Gutierrez]

[Text] The government is contemplating the construction of a satellite for the subregion with the aid of Andean Group members Ecuador, Bolivia, Peru, and Venezuela to minimize expenses and to improve communciations among these countries. The country to benefit the most will be Bolivia, because the satellite will bring about a marked improvement in that country's communciations. The satellite will be named Condor [words indistinct]. Deputy Communications Minister Marco Tulio Rodriquez has traveled to Lima to attend the conference of telecommunications via satellite. [passage indistinct]

The government has revealed that the satellite is only in the planning stages and that a proposal has been made and is being analyzed, but no contractor has been hired to place the satellite into orbit. The technical studies will be presented at the conference starting today, but the cost or the time it will take to manufacture the Condor satellite that will improve the Andean situation are not included.

SENATE PRESIDENT PAYS OFFICIAL VISIT TO PRC

For PRC media coverage of the visit of President Humberto Pelaez to the People's Republic of China, see the Latin American & Caribbean section of the 1 July China DAILY REPORT and subsequent issues.

PARTY'S PROPOSAL FOR FRONT STRAINS COALITION

PY042123 Asuncion EL DIARIO in Spanish 4 Jul 87 p 8

[Excerpt] Authentic Radical Liberal Party (PLRA) Vice President Juan Manuel Benitez Florentin has assumed the presidency of the National Accord, a coalition comprising four political parties. Liberal leader Domingo Laino was absent from the ceremony. Benitez Florentin expressed his firm support to the National Accord at a time when certain stress is being felt within the coalition, particularly by the Febrerista Revolutionary Party, as a result of a proposal to form a broad national democratic front.

As is known, about 20,000 people attended a PLRA gathering in Coronel Ovideo 2 weeks ago. On that occasion the PLRA appealed to all social and political movements opposed to the regime to form a "front." This appeal did not seem to please the National Accord, which considered it an attempt to subordinate the coalition to its wish for democracy. [passage omitted]

IPS PRESS AGENCY TO OPEN ASUNCION OFFICE

PY221849 Asuncion EL DIARIO in Spanish 22 Jun 87 p 16

[Text] Inter Press Service (IPS) will open an office in Asuncion on 23 June. It is an international press agency that dedicates itself to Third World news. The opening ceremony will take place at 1930 on the third floor of the SEGESA Building, located on the corner of Riva and Alverdi Streets.

IPS has its headquarters in Rome, Italy, and it is ranked among the six largest information networks in the world that use computerized telecommunications via satellite. It was founded in 1964 as an International Journalists Cooperative with the objective of creating an information bridge between Latin America and Europe and then expanding to the other continents.

IPS is promoting several development projects in the telecommunications field with the support of the United Nations and other national, regional, and international organizations. The agency provides detailed and exhaustive information of what happens in the Third World in the fields of economics, development, integration, foreign debt, the environment, housing, and population. The agency will be represented by Clara Rosa Gagliardone.

EL DIARIO QUESTIONS VALUE OF VIENNA TALKS ON DRUGS

PY070337 Asuncion EL DIARIO in Spanish 6 Jul 87 p 12

[Editorial: "The Struggle Against Drug Trafficking"]

[Text] The closest thing to a world alliance in the struggle against the production, traffic, and consumption of drugs was reached in Vienna last week. This is a step forward, but a great deal of practical things must yet be done for the agreements and resolutions adopted in Vienna to have any practical value and for effective campaigns to be conducted against this scourge that is already destroying the youth of the world.

One of the questions is at what level to consider the fact that during trafficking and political terrorism are allied for mutual benefit. Another question is how to face the fact that there are governments that support terrorist and guerrilla activities, closing heir eyes to the alliance of the "revolutionaries" and the traffickers, or even encouraging them. An example is Cuba, which has been proven to serve as a "bridge" for drug traffic from South America (Colombia and Bolivia) to the U.S. and European markets. In view of this situation, it was grotesque to see the Vienna meeting attended by delegates from countries and governments hostile to the West, which consider drug trafficking as one more weapon to exacerbate the "decadence of the West." In this regard it is known that in Vietnam, Cambodia, and other countries in the Communist orbit, domestic drug trafficking and consumption are punished with the death sentence, but drug production is encouraged for sale in Western markets.

There are other aspects to this issue, such as the question by a Bolivian minister who publicly asked which country bears more guilt: the impoverished country that produces the drug as an external economic resource, or the country that is too permissive and buys at a high price everything produced, obviously referring to the United States. In fact, the solution to this problem will be very difficult as long as there are countries like Colombia and Bolivia, where drug production is a crime, but which do not have the resources to enforce the law effectively, and countries like the United States, where laws are too soft, and where only drug trafficking and possession are crimes, while the consumer -- the last and most important link of the chain -- is considered not a criminal, but "ill." As long as this incoherence exists, in which the producing countries are not able to suppress production and the large consumer country is soft on punishment, it will be impossible to stop either production or trafficking. Then the real economic situation will continue to prevail, in which a Bolivian or Colombian peasant earns 500 times more from a hectare of coca than from planting coffee or bananas. Motivated by the high profits resulting from the weakness and permissiveness of a great consumer like the United States, peasants will continue to grow coca.

There are already many people in the United States who are demanding harsher sentences for people involved in drug trafficking and addiction. They believe that if the stimulation of drug addiction is a political weapon to weaken the morals of the West, that weapon already showed its effectiveness when the United States lost its first war in Vietnam. The drug addiction of the U.S. troops had a demoralizing effect that led to their defeat, despite the gigantic war arsenal at their disposal which, even more humiliating, remained in the hands of the North Vietnamese victors.

This situation leads us to the pessimistic conclusion of asking ourselves if the protocol talks against drugs in Vienna are going to have any practical value.

BRIEFS

CHILEAN AMBASSADOR ACCEPTED -- The Paraguayan Government has approved the appointment of the new Chilean ambassador to that country. The new ambassador will be Major General Jorge O'Ryan Balmontin. [Summary] [Santiago Domestic Service in Spanish 1030 GMT 1 Jul 87 PY]

EXPORTS TOTAL $224 MILLION -- The Customs General Directorate [Direccion General de Aduanas] has reported that exports during the period from January to June 1987 totaled $224 million. Exports thus increased by 120.9 percent over the same period last year. [Summary] [Asuncion EL DIARIO in Spanish 2 Jul 87 pp 10, 11 PY]

MINISTER DISCUSSES ANDEAN SATELLITE PROJECT

PY021431 Lima RBC Television in Spanish 0425 GMT 2 Jul 87

[Excerpt] The Association of Andean State Telecommunications Enterprises [ASETA] is holding its 22d meeting in Lima. Peruvian Transportation and Communications Minister General German Parra Herrera, retired, today opened the meeting which delegates of the Andean Pact member countries are attending.

[Begin recording] [Reporter] What is the importance of this 22d ASETA Executive Board meeting, and your first meeting?

[Parra] It is important because these delegates will discuss their government's participation in a system that will further improve the integration among our countries; that is, the Condor project.

[Reporter] What can you tell us about the Condor project?

[Parra] The Condor project involves launching a satellite that will serve the Andean countries. This is an ambitious project. It is expensive, but not prohibitive. Nonetheless, it is a very important solution for the integration of our countries. [passage omitted] [end recording]

CONSTRUCTION WORKERS MARCH ENDS WITH POLICE CLASH

PA030221 Paris AFP in Spanish 0159 GMT 3 Jul 87

[Text] Lima, 3 Jul (AFP) -- A march by construction workers ended here today in a clash with police in the downtown part of the city, while a 24-hour strike by state teachers took place amid calm.

The construction workers, who are demanding wage hikes, marched this afternoon through downtown Lima demanding that the government honor their requests and announcing that on Monday they will stage a strike affecting more than 50,000 workers.

On reaching one of the corners of the Plaza de Armas to deliver a memorandum, a stick of dynamite exploded. The police reacted energetically and dispersed the demonstrators with tear gas. Some 30 suspects were arrested. Another explosive device was defused by the police in the area.

The one-day strike by 180,000 state teachers throughout the country was held without incidents. According to leaders of the SUTEP [Sole Trade Union of Education Workers] [words indistinct] joined the strike. The Education Ministry said that 62 percent of the teachers showed up for classes.

An official source announced that tomorrow Education Minister Mercedes Cabanillas will receive SUTEP leaders to discuss their list of demands, including wage hikes.

SHINING PATH 'TERRORISTS' KILL MAYOR, POLICEMAN

PA062337 Paris AFP in Spanish 1829 GMT 5 Jul 87

[Text] Lima, 5 Jul (AFP) -- Police reported today that Shining Path terrorists caused blackouts in Ayacucho and Huanta, killed a mayor and a policeman, and carried out eight dynamite bombings in the last 24 hours.

A high-tension electric tower connected to the Mantaro hydroelectric plant was blown up near Ayahuarcuna bridge, 39 km northeast of Ayacucho on Friday night. The two cities and surrounding areas were left without electricity. Power has not been completely restored yet.

At the same time, an alleged terrorist death squad killed Ignacio Quispe, mayor of Santa Cruz, and member of the progovernment American Popular Revolutionary Alliance Party. He was shot in the face. An eyewitness said that the mayor of Santa Cruz, a town 200 km east of Trujillo, to the north of Lima in La Libertad Department, was shot in broad daylight in the city square while in the company of some friends.

Elsewhere, police reported that the relative calm reigning for more than 45 days in Huancayo, 200 km north of Lima, was broken Friday night, when several Shining Path groups carried out eight bombings against government and private enterprises, causing panic and concern among the people.

Civil Guardsman Wilfredo Tumialan was shot to death by an armed group. It was reported that he was patrolling one of the streets in downtown Huancayo when he was killed.

A night watchman was also wounded during these attacks that caused widespread property damage. Police were sent to the outskirts of the city in an effort to capture the terrorists.

A terrorist training center located in a house in Barranca, 150 km north of Lima, was dismantled by police on Saturday. The police arrested three members of a group operating in the area. The three men were later identified. Police confiscated an Israeli-made submachinegun, pistols, hand grenades, phony identification documents, and subversive propaganda.

GOVERNMENT RESUMES TALKS WITH WORLD BANK

PA072142 Paris AFP in Spanish 2119 GMT 7 Jul 87

[Text] Lima, 7 Jul (AFP) -- Peru has initiated contacts with the World Bank to resume the discussion of Peru's delay in paying $55 million, which has caused the suspension of loans to this country, Peruvian Prime Minister Guillermo Larco Cox announced today in Lima.

"The first thing we have to do is reestablish good relations and lines of credit with organizations such as the World Bank," the new prime minister said upon also announcing that Peru is considering the future renegotiation of its foreign debt of $14.3 billion.